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ASEAN 'Confident' Regarding Regional Ties

BK2107150793 Singapore Singapore Broadcasting Corporation in English 1400 GMT 21 Jul 93

[Text] ASEAN is confident that the group will be able to work out a new and constructive pattern of relationships in the Asia-Pacific region.

Foreign Minister Wong Kan Seng said ASEAN as a whole continues to respond in a realistic and pragmatic way to the post-cold-war period and the global trend towards more economic regionalism. Mr. Wong is the present chairman of the ASEAN Standing committee. He was speaking at the session of the committee which is being held ahead of the annual ministerial meeting beginning on Friday.

Mr. Wong said progress has been made on the decisions of the ASEAN summit held in Singapore in January last year. ASEAN has finalized the tariff reduction program and operational details for the implementation of the free trade area.

ASEAN senior officials meeting here ahead of the foreign ministers meeting are proposing the creation of an Asian regional forum. ASEAN sources said the forum is supposed to be held at the ministerial level during next year's meeting in Bangkok. The forum on regional security will involve the six ASEAN countries, their dialogue partners as well as Russia, China, Vietnam, Laos, and Papua New Guinea.

Cambodian Minister Arrives for ASEAN Talks

BK2207155893 Hong Kong AFP in English 1007 GMT 22 Jul 93

[By Ong Saw Lay]

[Text] Singapore, July 22 (AFP)—Cambodia's foreign minister Thursday said Phnom Penh should be left alone to work out a deal with the Khmer Rouge following a U.S. threat to cut off aid if the Marxist group was allowed to join a new government.

"We have not talked about any role for the Khmer Rouge in the government," Prince Norodom Sirivut said. "If they are reasonable we want them to return to the national community and be reconciled," he said.

Prince Sirivut was responding to questions on the U.S. position at a news conference here shortly after his arrival for talks with foreign ministers of the Association of Southeast Asian Nations (ASEAN).

"We don't want Cambodia partitioned into a non-Khmer Rouge and a Khmer Rouge Cambodia. We should be looked upon as one whole sovereign state," he said.

Prince Sirivut said it was important to reconcile all Cambodians following successful U.N. supervised polls in May.

"The Khmer Rouge are after all also Khmers," he said.

In Washington on Monday, U.S. Deputy Secretary of State Clifton Wharton said he had ruled out any role for the Khmer Rouge in Cambodia during talks with Cambodian leader Prince Norodom Sihanouk in Phnom Penh recently. Wharton, the highest ranking U.S. official to visit Phnom Penh since the Khmer Rouge seized power in 1975, said the United States "would find it extremely difficult" to provide aid to Cambodia if the Khmer Rouge, which boycotted the polls, was included in the government.

ASEAN—grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—Thursday signalled that it too was opposed to the U.S. threat.

Senior officials from the ASEAN countries meeting here ahead of talks between their foreign ministers and U.S. Secretary of State Warren Christopher said they saw no reason why outsiders should interfere in a strictly Cambodian affair.

"To us, if Cambodians want the Khmer Rouge, we see no reason why we should block that. It is their internal business," an Indonesian official said.

He said the Khmer Rouge, with an estimated 20,000 guerrillas, should not be disregarded, adding: "What is important is to get the various factions reconciled."

Malaysian Foreign Ministry Secretary-General Ahmad Kamil Jaafar declined direct comment on the U.S. position. But he said that ASEAN "must and would be guided by what the Cambodians want and by what the elected Cambodian assembly wants."

Sirivut said Cambodia's immediate priorities were to attain independence as a sovereign state and establish political stability to allow reconstruction of the war-torn country.

The ASEAN ministers have invited Sirivut here to discuss ways of widening international support for the rebuilding effort, their officials said.

ASEAN officials said their foreign ministers would seek support for a new U.N. role in assisting the reconstruction of Cambodia during talks with the group's dialogue partners, among them the United States, Japan, the European Community and Australia.

SRV on Intention To Join ASEAN, APEC

BK2207121293 Singapore THE STRAITS TIMES in English 22 Jul 93 p 19

[Text] Vietnam said yesterday that it would like to join ASEAN and the Asia-Pacific Economic Cooperation [APEC] forum to promote development and stability in the region.

Foreign Minister Nguyen Manh Cam told reporters that it had made overtures to join APEC through its contacts with ASEAN.

"But we have been told that APEC has no plans to widen its membership at the moment as it wants to strengthen its structure first," he said on his arrival at Changi Airport yesterday.

Mr. Cam, who is here to attend the ASEAN Ministerial Meeting (AMM) tomorrow as an observer, said Hanoi was prepared to wait "for a mutually appropriate time" to join both groupings.

"In the meantime, we want to promote our ties and cooperation with individual countries in the region," he said through an interpreter.

Vietnam is attending the AMM for the first time since it signed ASEAN's Treaty of Amity and Cooperation in Manila last year.

Elaborating on the reasons for wanting to join ASEAN and APEC, the Vietnamese minister said that Vietnam had always wanted to cooperate with its neighbours.

"We want to have economic cooperation with countries in the region not only for the development of Vietnam, but for the whole region as well," he said.

He said he believed that it would be a matter of time before Vietnam joined the regional groupings.

On his talks with ASEAN ministers on Saturday, he said he would discuss cooperation in science and technology, cultural exchanges, tourism environment, health, and education.

An ASEAN source said Vietnam had written to the grouping to ask for more active participation in ASEAN cooperation programmes in these areas.

"Response from ASEAN ministers will be positive. This is a sign that Vietnam is keen on strengthening relations with ASEAN," said the source.

Mr. Cam said Vietnam's ties with Singapore were growing fast.

"I intend to discuss with Singapore leaders how to promote and accelerate these ties," he said.

He is scheduled to call on Senior Minister Lee Kuan Yew and his Singapore counterpart, Mr. Wong Kan Seng, during his stay here.

SRV Allowed To Join ASEAN Cooperation Program

BK2207120493 Singapore Singapore Broadcasting Corporation in English 1100 GMT 22 Jul 93

[Text] ASEAN has agreed in principle to allow Vietnam to join a regional cooperation program in science and technology, environment, and other nonpolitical and noneconomic areas. Senior ASEAN officials said the move was in response to Vietnamese Foreign Minister Nguyen Manh Cam's recent letter seeking Hanoi's participation in ASEAN's activities. They added that

ASEAN had also received a similar request from Laos. The accord is expected to be endorsed by the ASEAN (?foreign ministers).

ASEAN Solidarity 'Unaffected' by APEC Issue

BK2207082093 Kuala Lumpur BERNAMA in English 0349 GMT 22 Jul 93

[Text] Singapore, July 22 (OANA-BERNAMA)—ASEAN's long-standing solidarity will be unaffected despite the lack of consensus among members over whether or not to attend the Asia-Pacific Economic Co-operation (APEC) summit in Seattle. Conference sources here for the ASEAN Ministerial Meeting (AMM) beginning on Friday said that while Prime Minister Dr. Mahathir Mohamed would not attend the November summit, Singapore and the Philippines have indicated they would do so.

Indonesia's President Suharto said he would seriously consider the invitation to go to Seattle and would [words indistinct] other ASEAN leaders but he expressed concern over what China would say if Taiwan was represented.

Thailand's stand is still unclear while Brunei has so far remained silent on the matter, all of which has led to expectations that ASEAN countries would take individual positions on the APEC summit.

Malaysian Foreign Ministry Secretary-General Ahmad Kamil Jaafar said here Wednesday that although a consensus was better, the six members of the grouping were entitled to their own stand on the matter.

Briefing newsmen at the end of the ASEAN Standing Committee meeting here, he said Dr. Matathir would stick to his decision not to attend the summit proposed by U.S. President Bill Clinton.

Malaysia was against an APEC summit as it did not want the forum to become institutionalized or a regional trading group but continue to exist in its present form.

The conference sources said that when ASEAN joined APEC, there was a tacit understanding among them that APEC would be consultative in nature and not evolve to a forum for negotiations.

It was on this understanding that ASEAN had collectively steered away from adopting a charter for APEC, opting instead for a declaration of principles for co-operation which was adopted at the third APEC ministerial meeting in Seoul in September 1991.

There was also concern over the proposed memorandum of understanding on an APEC-wide trade and investment framework which might change the consultative character of APEC, the sources said.

Alatas Views ASEAN Presence at APEC Summit

BK2207152793 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 22 Jul 93

[Text] Foreign Minister Ali Alatas has said the presence of ASEAN member nations at an Asia-Pacific Economic Cooperation [APEC] summit in Seattle proposed by U.S. President Bill Clinton will have to be discussed at the ASEAN ministerial meeting. Speaking to reporters upon arrival at Singapore's Changi Airport today, Minister Ali Alatas said the presence of the ASEAN member nations at the APEC summit will be discussed by taking into account regional interests, particularly ASEAN's and the national interests of each ASEAN member nation. Touching on the enhancement and expansion of cooperation between ASEAN and other countries, Minister Ali Alatas said ASEAN now has full dialogue partners—the United States, Canada, Japan, Australia, New Zealand, South Korea, and the EC—as well as a sectoral dialogue partner—India.

PRC Minister Supports Regional Security Dialogue

BK2207120093 Singapore Singapore Broadcasting Corporation in English 1100 GMT 22 Jul 93

[Summary from poor reception] China, which is attending the ASEAN meeting as an observer, says it will take part in a regional security dialogue. The Chinese vice premier and foreign minister, Qian Qichen, stated China's position during talks with Foreign Minister Wong Kan Seng today. Mr. Wong explained that ASEAN's initiative in starting a regional security dialogue is to create conditions to enable growth to continue.

ASEAN Agrees on Security Dialogue Process

OW2207135493 Tokyo KYODO in English 1239 GMT 22 Jul 93

[Text] Singapore, July 22 KYODO—The Association of Southeast Asian Nations (ASEAN) has agreed on a broad mechanism for the proposed political and security dialogue with a dozen other Asia-Pacific countries, including Japan, the United States, China and Russia, official sources said Thursday [22 July].

The foreign ministers of ASEAN's six member nations will meet their counterparts from the group's seven dialogue partners and five other regional countries at an informal dinner on Sunday [25 July], in effect launching an expanded regional security dialogue.

A ministerial-level gathering among the 18 parties is to take place every year, most probably between a meeting of ASEAN foreign ministers and a conference of those from ASEAN and the dialogue partners, the sources said. The partners are Japan, South Korea, the U.S., Canada, Australia, New Zealand and the European Community (EC).

The first full ministerial forum, which will also include China, Russia, Vietnam, Laos and Papua New Guinea, will be held in Bangkok next year. It will be preceded by a meeting of senior officials from all the 18 members.

The foreign ministers of ASEAN—grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—will formally endorse the ASEAN regional forum when they meet in Singapore for their two-day annual session starting Friday [23 July]. The forum was proposed at a meeting of senior officials from ASEAN and its dialogue partners held in Singapore last May.

The sources said ASEAN has also agreed to set up a security forum exclusively for ASEAN members involving senior Foreign and Defense Ministry officials, who will first meet in Bangkok sometime in late January or early February next year.

The move reflects uncertainty among ASEAN countries about the region's security following the end of the cold war, the declining U.S. military presence and China's growing military might. Although they form the world's most economically dynamic region, the ASEAN countries have nagging territorial disputes with each other and with China that may flare up.

Singaporean Foreign Minister Wong Kan Seng said Wednesday [21 July] that ASEAN “needs a predictable and constructive pattern of relationships with the major players in the Asia-Pacific” such as the U.S., Japan, China, Russia and India to ensure stability in the region.

ASEAN, traditionally oriented to economic cooperation, decided at a meeting of its leaders in Singapore last year to begin talks on political and security issues with other countries in the region.

ASEAN foreign ministers will also agree to encourage China to accede to the 1976 treaty of amity and cooperation in South East Asia, and to “favorably consider” requests from Australia and New Zealand for accession, the sources said. The treaty requires signatories to resolve any conflict by peaceful means. Besides the ASEAN members, Vietnam, Laos and Papua New Guinea have acceded to it.

Malaysia: ‘No Problem’ With Security Proposal

BK2307074093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jul 93

[Text] Malaysia has supported the proposal to form a regional forum to strengthen security dialogue among countries in the Asia-Pacific region.

Foreign Minister Datuk Abdullah Haji Ahmad Badawi said he will have no problem agreeing to the proposal since it had been unanimously agreed upon by the ASEAN senior officials. He would, however, have to look into the details on the topics to be discussed at the forum. He was speaking to reporters on arrival at Changi Airport in Singapore for the 26th annual ministerial meeting.

ASEAN senior officials, who had met ahead of the meeting, have proposed the creation of such a forum to strengthen regional consultation on security and political issues. The proposed ASEAN regional forum would act as a platform for the six-member grouping with its seven dialogue partners along with China and Russia. Vietnam and Laos and Papua New Guinea would also be included in the forum likely to take off during the next ASEAN Post Ministerial Meeting in Bangkok next year.

ASEAN Foreign Ministers Open Annual Meeting

BK2307082093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jul 93

[Text] Foreign ministers of ASEAN today began their annual meeting in Singapore. During the meeting, they will formally approve the setting up of an Asian regional forum on security. Singapore Prime Minister Goh Chok Tong, who opened the two-day meeting, said the consultations among defense and military officials will help build an environment of confidence in the region. But he said that ASEAN must not become a military pact. Each member country must always assume primary responsibility for its own defense and security. The forum will allow Russia, China, Vietnam, Laos, and Papua New Guinea to join ASEAN traditional dialogue partners, among them the United States and Japan, in discussing the future shape of security in the Asia-Pacific.

ASEAN foreign ministers said the international community should immediately disburse aid and resources pledged for the reconstruction of war-torn Cambodia. They said the country needs international support to rebuild its shattered infrastructure and its political, social, and economic institutions.

Addressing the Cambodian issue on their speeches at the opening of the 26th ASEAN Ministerial Meeting, the ministers reiterated their support for Cambodian head of state Prince Norodom Sihanouk to unify the Cambodian people and bring about national reconciliation. Foreign Minister Datuk Abdullah Haji Ahmad Badawi said the near resolution of the Cambodian conflict was clearly the most notable development in regional peace and security. Thai Foreign Minister Prasong Sunsiri said the future of Cambodia was for the Cambodian people to decide. Singapore's Wong Kan Seng said peaceful [word indistinct] in Cambodia requires the resources of the international community and the country deserves every chance to reenter the wider community of nations. Indonesian Foreign Minister Ali Alatas said as fellow members of the Southeast Asian family of nations, ASEAN is always ready to help in Cambodia's reconstruction if so desired by its people and government. Philippine Foreign Secretary Roberto Romulo commended the Cambodian people for the successful conclusion of the UN-supervised general elections. Brunei's Prince Mohamed Bolkiah said much remains to be done in Cambodia, especially in helping to maintain law and order.

U.S. Aid-Cut 'Threat' to Cambodia Criticized

BK2307082693 Hong Kong AFP in English 0643 GMT 23 Jul 93

[Text] Singapore, July 23 (AFP)—The Association of Southeast Asian Nations (ASEAN) told the United States on Friday not to interfere in efforts by Cambodian leaders to strike a deal giving the Khmer Rouge a role in the new government.

Reacting to a U.S. threat to cut off aid to Cambodia if the Khmer Rouge were included in a government there, Malaysian Foreign Minister Abdullah Badawi told reporters here: "The United States should not be too tough on this. I don't think we should be dictating too much to them (the Phnom Penh leaders)," he said.

Abdullah was speaking after the opening session of the annual meeting of ASEAN foreign ministers—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

In his speech at the session Abdullah, however, refrained from mentioning the United States by name.

But he and his counterparts from Indonesia and Singapore, Ali Alatas and Wong Kan Seng, insisted that efforts by Cambodian head of State Prince Norodom Sihanouk towards "national reconciliation" should be encouraged.

Cambodia is expected to feature prominently in discussions here next week between the ASEAN foreign ministers and U.S. Secretary of State Warren Christopher.

Prince Sihanouk has said the Khmer Rouge may be allowed to rejoin Cambodian national politics despite the radical Marxist group's boycott of Cambodia's U.N.-organised elections earlier this year.

On Monday, U.S. Deputy Secretary of State Clifton Wharton, in an interview published by the WASHINGTON POST, said he had ruled out any role for the Khmer Rouge during his recent talks with Prince Sihanouk in Phnom Penh. He warned that the United States "would find it extremely difficult" to provide aid to Cambodia if the Khmer Rouge, whose brutal regime in the late '70s led to the deaths of over one million people, was included in government.

But Prince Norodom Sirivut, Cambodia's Foreign Minister and Prince Sihanouk's half brother, who is in Singapore as a special guest at the ASEAN foreign ministers discussion on Cambodia, told reporters Thursday: "We have not talked about any role for the Khmer Rouge in the government. If they are reasonable we want them to return to the national community and be reconciled."

Speaking to reporters Friday, Alatas said Prince Sihanouk and other Phnom Penh leaders should be left alone to "find a solution to the problem they are facing. They are working towards national reconciliation and we should leave to them to work it out," he added.

However Alatas stopped short of condemning the United States for its stance.

Japan**Hayashi on 'Measures' To Stabilize Currencies***OW2307034593 Tokyo KYODO in English 0314 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—Finance Minister Yoshiro Hayashi said Friday [23 July] authorities will take necessary measures to stabilize volatility in the currency exchange market in the wake of the yen's sharp appreciation against the U.S. dollar.

Hayashi, speaking at a press conference after the morning's cabinet meeting, said players that sold the French franc overnight seem to have bought the yen. Remarks by a senior U.S. Government official that Japan's soaring trade surplus can be trimmed through exchange rate adjustments and stimulation of domestic demand also fueled the yen's strength, he said.

"Short-term volatility is undesirable," Hayashi said, adding governments will take appropriate measures to stabilize the market.

The finance minister blamed the currency market turmoil for Friday's setback of Tokyo stock prices.

Hayashi said Japan has been in close contact with the Group of Seven (G-7) major economies, which have an agreement to work together in tackling volatility in currency markets.

He rebuked recent comments in Washington about Japan's domestic policies, repeating he is against cutting income tax to stimulate the economy.

Tokyo Asks GATT for Rice Ban Continuation*OW2207143893 Tokyo KYODO in English 1413 GMT
22 Jul 93*

[Text] Geneva, July 22 KYODO—Japan's top farm trade negotiator on Thursday [22 July] appealed to the new chief of the world trade body GATT to allow Japan to keep its long-standing ban on rice imports, Japanese Government officials said.

During his meeting with Peter Sutherland, who took over as director general of the General Agreement on Tariffs and Trade on July 1, Jiro Shiwaku, vice farm minister for international affairs, sought "understanding" of the difficulties Japan is facing in accepting a GATT proposal to convert nontariff barriers on farm imports into tariffs.

Sutherland, while showing some sympathy toward Japan, refused to give Japan exceptional treatment at the GATT-sponsored Uruguay Round of global trade talks, where Japan's rice ban is being criticized as one of the reasons for the stalemate in the 116-nation negotiations.

The talks have to be brought to a successful conclusion, Sutherland reportedly told Shiwaku.

The so-called tariffication scheme was put forward by Arthur Dunkel, Sutherland's predecessor, in late 1991 as part of a take-it-or-leave-it draft agreement aimed at ending the deadlock in the talks, which have now been prolonged for more than two and a half years. Tokyo has resisted the proposal, which it fears would force the country to let in foreign rice.

Shiwaku also asked Sutherland to deal "realistically" with requests from the United States and the European Community (EC) to make radical amendments to other parts of the draft, like antidumping rules and intellectual property rights, saying the U.S. and EC are also facing hard decisions.

Japanese, Russian Mayors Pledge Cooperation*OW2207115793 Tokyo KYODO in English 1117 GMT
22 Jul 93*

[Text] Akita, July 22 KYODO—Mayors from 26 Japanese and 15 Russian cities on Thursday [22 July] pledged closer economic cooperation and called on their governments to solve a long-standing territorial dispute and other issues hampering the improvement of bilateral relations.

In a joint communique signed at the end of a two-day conference the mayors stressed the need for banks to set up branch offices in each other's country. They also advocated cooperating with the special economic zones Russia is setting up to speed up its transformation into a market economy.

The communique states that both countries must settle the territorial dispute over four Russian-held islands northeast of Hokkaido which were seized by the former Soviet Union at the end of World War II.

Both countries should also try to find a solution to Russia's dumping of nuclear waste into the sea, the communique says.

The next mayors' conference, the 15th of its kind, will be held in Yuzhno-Sakhalinsk on the Russian far east island of Sakhalin in 1995. The first conference was held in Khabarovsk in 1970.

Participants from Japanese and Russian cities in the forum include mayors from Akita, Niigata and Toyama in Japan, and Khabarovsk, Nakhodka and Irkutsk in Russia.

Russian Defense Ministry: No MiG-23's on Etorofu*OW2307122993 Tokyo KYODO in English 1211 GMT
23 Jul 93*

[Text] Moscow, July 23 KYODO—Russian Defense Ministry officials confirmed Friday [23 July] that Moscow has withdrawn all MiG-23 fighters that were stationed at an airport in Etorofu, one of four Russian-held islands claimed by Japan. The remarks made to

KYODO News Service supported earlier suggestions by Japanese Defense Agency sources and authorities of the Russian Far East province of Sakhalin.

Etorofu was the only one of the disputed islands on which Russia had deployed fighters. Etorofu and other islands—Kunashiri, Shikotan, and the Habomai group of islets—were seized by the former Soviet Union in the closing days of World War II.

The officials said Russian ground forces and border guards will remain on the islands off Japan's northernmost main island of Hokkaido.

Last May, Russian President Boris Yeltsin said his country would withdraw all military forces, except border guards, from the islands.

Japanese Defense Agency sources had expressed concern that the MiG-23s would be replaced with new and powerful fighters such as MiG-31s or SU-27s, but the Russian officials denied that such change would occur. The officials said Russia has decided the fighter jets should be relocated as part of its duty to international society.

Meanwhile, Sakhalin Governor Yevgeny Krasnoyarov said the border guards will control flights at the Etorofu Airport, where civil airplanes fly to and from the Sakhalin Island. He told a news conference Friday that the Russian Defense Ministry promised him that the airport will not be closed. The four islands are under Krasnoyarov's jurisdiction.

Suspected SRV Refugees Being Towed to Okinawa

OW2207023793 Tokyo KYODO in English 0138 GMT 22 Jul 93

[Text] Naha, July 22 KYODO—A Maritime Safety Agency patrol boat detected a vessel Wednesday [21 July] evening carrying 30 suspected Vietnamese refugees in Japanese waters near the Senkaku Islands, agency officials said Thursday.

The wooden boat, seized about 13 kilometers east of Uotsuri Island in the East China Sea, is carrying 24 males and six females, including two children, the officials said. One of the group reportedly said in English that the boat left Haiphong, Vietnam, on June 3 bound for Japan.

The patrol boat is towing the vessel to Naha, Okinawa Prefecture, for further questioning of the Vietnamese by immigration authorities. They are scheduled to arrive Friday morning [23 July].

Reaction to Miyazawa's Resignation Reported

Opposition Leaders Comment

OW2207140093 Tokyo NHK General Television Network in Japanese 1022 GMT 22 Jul 93

[Recorded comments by opposition leaders on Prime Minister Miyazawa's 22 July resignation; from the "News 7" program]

[Text] Regarding Prime Minister Kiichi Miyazawa's announcement of his resignation and prospects for a coalition government, five coalition-oriented parties—the Social Democratic Party of Japan [SDPJ], the Shinseito [Japan Renewal Party], the Komeito [Clean Government Party], the Democratic Socialist Party [DSP], and the United Social Democratic Party [USDP]—offered the following comments:

[Begin SDPJ Chairman Sadao Yamahana recording] The prime minister's announcement highlighted the conclusion of prolonged one-party rule by the Liberal Democratic Party [LDP]. That was a very impressive moment, and I was filled with deep emotion. In view of the latest judgment by the voters, the prime minister was supposed to announce the LDP's decision to step down from power. We would like to try our best to establish a new coalition government to replace the LDP. [end recording]

[Begin Shinseito head Tsutomu Hata recording] We discussed political reform in the Diet to win back public confidence in politics, but our efforts were ruined by the LDP. As a result, the no-confidence motion against the Miyazawa administration was approved and the LDP lost the majority after the general election. The LDP must recognize how serious the current political situation is. The LDP would have suffered greater defeat if we had had enough time to prepare for the elections. In this sense, I think [the Miyazawa resignation] was an inevitable event. I think the LDP still has a good chance to revitalize itself by listening to younger members' opinions, and, in that case, the LDP would remain as our strongest rival. [end recording]

[Begin Komeito Chairman Koshiro Ishida recording] The prime minister's resignation is a matter of course. Rather, his decision came too late. If the LDP is trying to settle the crisis by firing the president, it is just like covering an old book in new paper. The public would not accept such a solution. As long as the LDP remains unchanged, it cannot be the key player on the new political scene. [end recording]

[Begin DSP Chairman Keigo Ouchi recording] Political reform was Prime Minister Miyazawa's pledge to the public, but he broke it. I think he was the primary one responsible for the public's deep-rooted distrust of politics. Since the current political crisis was caused by the LDP, the party is supposed to step down from power, taking the opportunity of the prime minister's resignation. [end recording]

[Begin USDP head Satsuki Eda recording] The LDP's presidential election is no longer the election of the Japanese prime minister. My understanding is that Prime Minister Miyazawa's resignation is nothing more than the beginning of a leadership race in a party called the LDP. On the other hand, we have a resolve to jointly establish a non-LDP coalition. Actually, our moves are more directly linked to the premiership race. [end recording]

In addition, the Japan Communist Party [JCP] commented too.

[Begin JCP Secretariat Chief Kazuo Shii recording] Prime Minister Miyazawa was finally forced to resign, and this was a result of the public's strong anger at politics conflicting with public interests. To overcome the vicious political framework established by the LDP, our party is seeking an anti-LDP reformist government in cooperation with the public. It will not happen very soon, but we will continue our efforts to achieve the goal.

'Inability To Steer' Nation Cited

OW2207115693 Tokyo KYODO in English 1133 GMT
22 Jul 93

[By Takehiko Kajita]

[Text] Tokyo, July 22 KYODO—Kiichi Miyazawa is stepping down as president of the Liberal Democratic Party (LDP) and as prime minister after failing to live up to public expectations that he would tackle a myriad of domestic and international challenges.

When Miyazawa, 73, became prime minister in November 1991, many thought his administration would be more effective than those of his two immediate predecessors—Toshiki Kaifu and Sousuke Uno.

A KYODO News Service survey showed in early December 1991 that public support for Miyazawa's cabinet stood at a heady 50.9 percent.

Since then, however, his approval rating has steadily slipped to disastrously low levels due to his perceived inability to steer the nation through stormy international political seas.

The first crisis for Miyazawa's grip on power came shortly after he took office. His cabinet was dealt a serious blow when a bill to authorize the dispatch of Japanese troops abroad for United Nations peace-keeping activities failed to be acted upon and was carried over to the next Diet session.

Miyazawa failed to live up to expectations that he would be a politician well versed in foreign and economic affairs, and one of his major weaknesses was his reputed aversion to the backroom political wheeling and dealing which has played a major role in Japanese politics.

In his first year at the helm of government, Miyazawa did not take an initiative to cope with a number of

pressing issues because his cabinet was virtually controlled by an LDP faction founded by former Prime Minister Noboru Takeshita, then the largest faction within the conservative party.

After Miyazawa's predecessor Kaifu abandoned his bid to seek reelection as LDP president, Shin Kanemaru, who at the time was de facto leader of the Takeshita faction, decided to steer Miyazawa to power and control his cabinet as a puppet of the faction just as the Kaifu cabinet had been.

As a result, Miyazawa could not implement policies that did not find favor with the Takeshita faction.

Critics also said his performance was disappointing on the international front, as illustrated by his poor grasp of American sensibilities when he expressed sympathy about U.S. economic struggles shortly after he assumed office and later suggesting that the work ethic had eroded in the United States.

But the goddess of fortune came to Miyazawa's rescue at a time when he seemed stymied and on the way out.

In May 1992, then Foreign Minister Michio Watanabe, who was widely viewed as Miyazawa's successor, was hospitalized with a reportedly serious health problem. Watanabe, who was one of Miyazawa's most powerful challengers for the party leadership, ultimately quit the Cabinet earlier this year.

In addition, the Takeshita faction broke up in the wake of a fierce internal power struggle sparked by Kanemaru's departure from politics last year. Kanemaru, 78, quit parliament last October after admitting that he took 500 million yen in illicit political donations from the now defunct Tokyo Sagawa Kyubin parcel delivery company.

As a result, Miyazawa apparently secured a freer hand in his political management, especially after the shakeup of his cabinet last December.

One of the problems that haunted the Miyazawa cabinet was how to jack up Japan's prolonged economic slump which was spawned by the collapse of the nation's "bubble economy"—a business boom marked by skyrocketing land and stock prices in the late 1980s. Despite his reputation as a politician well versed in economic affairs, the premier could not prescribe any panacea for the nation's sluggish economy till the bitter end.

Concerning Japan's trade surplus with the U.S.—a thorny issue between the world's two economic superpowers—Miyazawa only managed to agree with U.S. President Bill Clinton in earlier July on a new framework for their economic ties. In the framework, Japan agreed to accept "objective criteria" to gauge access to its markets and pledged to significantly cut its current account surplus.

The only achievement during his one year and eight months in office may be the passage in June 1992 of a

law that sent Japanese peacekeepers to Cambodia on a U.N. peacekeeping mission, the first overseas dispatch of Japanese ground troops since the end of World War II.

But political analysts say the dispatch could not have been brought to a successful conclusion without the backing of the Takeshita faction and its strength in Diet affairs. Few said they believe Miyazawa could have taken the lead and passed the law with his LDP faction alone.

Miyazawa's luck ran out when he repeatedly vowed to achieve domestic political reform. The instant he virtually gave on enacting reform legislation during the last Diet session, the opposition camp introduced a no-confidence motion against his cabinet and passed it with the help of LDP renegades.

Although he opted to dissolve the predominant House of Representatives for a snap general election in lieu of quitting the premiership in a mass resignation of his cabinet, the move cost him dearly. After dozens of LDP legislators broke away to create their own parties, the party ended with only 223 seats and failed to regain a majority in the 511-seat lower house.

Miyazawa's resignation announcement as LDP president Thursday [22 July] coincided with the first court hearing on income tax evasion charges leveled at his former backer Kanemaru. Kanemaru has denied the charges accusing him of avoiding a total of 1.04 billion yen worth of taxes on 1.85 billion yen worth of income over a three-year period starting in 1987.

Opposition Efforts To Form Coalition Viewed

*OW2307011693 Tokyo KYODO in English 0005 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—Japan's next prime minister may be put up by a joint opposition front and not by the long-governing Liberal Democratic Party (LDP) for the first time in nearly four decades, many political analysts said Friday [23 July]. The prospect gained momentum after leaders of two new conservative parties on Thursday endorsed a five-party campaign to oust the LDP from 38 years of hold on power and establish a non-LDP coalition government.

On Thursday Prime Minister Kiichi Miyazawa announced his resignation as LDP president, a job which earlier meant becoming prime minister under an LDP-controlled House of Representatives.

Because the LDP failed to gain a lower house majority in last Sunday's general election, however, the presidency does not automatically carry into prime minister this time around.

Morihiro Hosokawa, leader of the Japan New Party (JNP), suggested Thursday his party may link up with an alliance of five noncommunist opposition parties.

"A non-LDP government would be preferable, if we are to end the LDP's monopoly on power and try to create conditions that would make it possible for power to be transferred (from the LDP)," Hosokawa told a news conference at JNP headquarters.

Hosokawa, speaking on television late Thursday night, strongly suggested that members of his party would vote for Shinseito [New Life Party] leader Tsutomu Hata if the five opposition parties put him up as the joint candidate for prime minister.

Hosokawa ally Masayoshi Takemura, leader of another new party Sakigake (Harbinger), also suggested Thursday that he prefers to link up with a non-LDP coalition, rather than cooperate with an LDP-dominated government. "Non-LDP alliance members are generally enthusiastic about reforming politics," he told reporters.

At a Thursday night meeting, Sakigake members agreed to attach achievement of political reform as condition to support the next prime minister, party officials said. A senior Sakigake official told reporters late Thursday night that the next government will be an interim one to achieve political reform.

Hosokawa said the possibility of a non-LDP coalition is about 70 percent. Hosokawa said he has no interest in becoming a candidate for the prime minister, adding that the JNP and Sakigake have agreed to stay out of the government.

The JNP, established in May 1992, seized 35 seats in the House of Representatives in last Sunday's general election and recruited one member after the poll to boost its lower house strength to 36.

Takemura's Sakigake, a party that LDP defectors founded last month, owns 13 members in the lower chamber.

The JNP and Sakigake are considered to have a swing vote in the upcoming election of the next prime minister in both houses of the Diet.

The post-election special Diet session is expected to convene August 2.

The five noncommunist opposition parties—Social Democratic Party (SDP), Shinseito (Japan Renewal Party), Komeito, Democratic Socialist Party (DSP) and United Social Democratic Party (USDP)—have continued talks to establish a non-LDP coalition government. Many political analysts said the five parties may put up Shinseito leader Hata as their joint candidate for prime minister.

Shinseito was founded last month by LDP defectors who were dissatisfied with the LDP leadership's failure to get political reform bills through the diet. Those measures called for changing the country's election system and imposing tighter controls on political funding.

The combined strength of the five parties stands at 191 in the lower house, short of the LDP's 228.

The LDP, which seized 223 seats in the election and fell short of securing a simple majority in the 511-member House of Representatives, accepted former Prime Minister Noboru Takeshita and four other conservative independents into its fold Wednesday in a bid to bolster its parliamentary strength. With the 49 members of the JNP and Sakigake being added, the combined non-LDP strength will reach 240, outnumbering the LDP.

Under constitutional rules, a special session of the Diet must convene within 30 days after a general election. Both houses of the Diet will elect the prime minister at the special session.

If no one can get a majority of votes, the two top vote getters will face a runoff election.

Watanabe Reiterates Prime Ministerial Ambition

OW2307101993 Tokyo KYODO in English 0943 GMT 23 Jul 93

[Text] Tokyo, July 23 KYODO—Former Foreign Minister Michio Watanabe reiterated Friday [23 July] his ambition to run for the post of president of the Liberal Democratic Party and thus for the premiership to replace Prime Minister Kiichi Miyazawa. "Whatever a situation it may be, I will run," Watanabe told reporters.

An 11-member group in the LDP headed by former Farm Minister Mutsuki Kato decided Friday to urge former Prime Minister Toshiki Kaifu to run in the party's presidential election, party sources said. Kaifu, dubbed "Mr. Clean," is popular among reformist junior party members.

Akira Fukita, leader of the group, told reporters, "Mr. Kaifu, who is enthusiastic about political reform, is the most appropriate for president."

The LDP decided Friday to hold an election among all of its Diet members next Friday afternoon for a new president, party officials said.

The LDP will accept registration of candidates next Wednesday and hold a meeting next Friday morning at which each candidate will deliver a speech, the officials said.

Following the announcement of the resignation of Miyazawa as the LDP president Thursday [22 July], intraparty jockeying for the top party post has intensified.

The LDP failed to secure a majority in the House of Representatives, meaning the party presidency does not now automatically carry with it the prime ministership.

Chief Cabinet Secretary Yohei Kono on Friday denied speculation he will seek LDP presidency. "I, for one,

have obligations as a chief cabinet secretary. I think it is my duty to try hard to fulfill those obligations," Kono told a news conference.

The association for the creation of a new LDP, a group of 20 young LDP legislators, decided to back a candidate who will eliminate factionalism and implement a generational change. Shokei Arai, a leader of the group, told reporters that its leader Seiichi Ota, a fifth term lower house member, is one possible candidate.

The LDP's largest faction is cautious about its leader Hiroshi Mitsuzuka seeking the party presidency, faction sources said. Most senior figures of the 73-member group were reluctant at a meeting Friday to have Mitsuzuka run in the election, the sources said.

Mitsuzuka, chairman of the LDP's Policy Affairs Research Council, has expressed a desire for the LDP's top post.

Meanwhile, former Prime Minister Noboru Takeshita told the LDP that he will be an independent member of the Diet and should not be counted among the party's numbers, party officials said. The LDP had said Wednesday [21 July] that it added to its roster Takeshita and four others who were elected as independent candidates in Sunday's poll.

The LDP excluded the former prime minister, who was linked to a money-and-mob scandal, from its official candidate list prior to the election.

The Japan New Party (JNP) and Sakigake (Harbinger) called Friday for establishing a political reform-minded government free of corruption. The two new conservative parties are considered to have a swing vote in the upcoming election of the next prime minister in both houses of the diet.

In their first full-scale meeting since the election, the two new conservative parties agreed on a number of conditions for their rallying behind a new government. These conditions include legislation to create an electoral system combining small constituencies and proportional representation, tougher penalties for political fund law violations and a ban on contributions to political parties from companies and groups.

Sources close to the JNP-Sakigake meeting said the two parties agreed to press for the passage of political reform legislation containing these objectives within this year.

JNP leader Morihiro Hosokawa and Sakigake chief Masayoshi Takemura on Thursday expressed support for a campaign by five opposition parties to wrest power from the LDP.

LDP Presidential Race Poll Set for 30 Jul

*OW2307075893 Tokyo KYODO in English 0557 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—The Liberal Democratic Party (LDP) has decided to hold an election among all its Diet members next Friday [30 July] afternoon for a new president to replace Prime Minister Kiichi Miyazawa, party officials said Friday [23 July].

The LDP will accept registration of candidates next Wednesday [28 July] and hold a meeting next Friday morning for them to deliver speeches, the officials said.

Miyazawa announced his resignation as president Thursday [22 July] to take the blame for his party's poor showing in Sunday's [18 July] general election.

The LDP failed to secure a majority in the House of Representatives, meaning the party presidency now does not automatically carry the prime ministership.

Competition for Premiership To Intensify

*OW2307080093 Tokyo KYODO in English 0626 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—Political jockeying for the post of Japan's next prime minister will intensify next week beginning July 25 among both ruling and opposition party legislators. Political pundits said the coming 20 days will be crucial in Japanese politics—long under the rule of the Liberal Democratic Party (LDP)—as there is emerging a chance for an opposition camp to seize power for the first time in 38 years.

A special Diet session, mandatory after a general election, is likely to convene August 2 to pick a new prime minister, and political sources said the election may take place around August 10.

In the July 18 general election, the LDP failed to regain a majority in the House of Representatives, forcing LDP President and Prime Minister Kiichi Miyazawa to announce his resignation to take the blame for the election results and defections from the party.

The No. 1 opposition Social Democratic Party (SDP) suffered a stunning defeat, reducing its lower house strength almost by half.

On the other hand, three newly created conservative parties—Shinseito (Japan Renewal Party), Sakigake (Harbinger), both formed by LDP defectors, and the Japan New Party (JNP)—made an impressive debut in the first chamber.

At a party caucus held Thursday [22 July] where Miyazawa, in office for 21 months, announced his resignation as LDP president, young turks strongly opposed the conventional choosing of their boss through secret, behind-the-scenes talks among faction leaders, a practice long a target of public criticism.

As a result, the party leadership was forced to decide to select its next president by ballot involving all its members of both houses of the Diet on Friday, July 30.

Also on Thursday, a non-LDP coalition plan came closer to realization after leaders of the JNP and Sakigake, holding a swing vote in the coming prime ministerial election, said they may link up with an alliance of five other parties—excluding the Japanese Communist Party (JCP)—in an effort to oust the LDP from power.

The LDP holds 228 seats in the 511-member lower house, far short of a simple majority of 256 seats, while the combined strength of the seven opposition parties excluding the JCP reaches 240. The rest comprise independents and 15 JCP members.

Some political pundits said each party may put up its own leader in the first Diet ballot for the premiership. But since no one is expected to get a majority, a runoff election will be fought between the two top vote-getters.

Other pundits write a different scenario, saying the race for the premiership will be waged among candidates from the LDP, the seven-party opposition coalition and the JCP.

JNP leader Morihiro Hosokawa suggested on a television program Thursday night that his party would vote for Shinseito leader Tsutomu Hata, a former finance minister who quit the LDP before the general election, if Hata emerges as the joint opposition candidate.

Hosokawa himself is also regarded as a strong candidate, although he denied being interested in becoming prime minister.

Former Foreign Minister and Deputy Prime Minister Michio Watanabe, and Hiroshi Mitsuzuka, chairman of the LDP's Policy Affairs Research Council, have already expressed their readiness to enter the race.

Other possible LDP candidates include former Prime Minister Toshiki Kaifu, former Finance Minister Ryutaro Hashimoto and Justice Minister and Deputy Prime Minister Masaharu Gotoda.

Possible opposition candidates, in addition to Hata and Hosokawa, include 13-member Sakigake leader Masayoshi Takemura and SDP Chairman Sadao Yamahana.

An opinion survey unveiled in the latest issue of the weekly magazine AERA, published by the ASAHI SHIMBUN newspaper, found Takemura, a former Shiga Prefecture governor, is the ideal prime minister.

The AERA survey covering a group of political editors and reporters analyzed each possible candidate's political attributes, including vision, leadership, determination and international sense, and rated each on points for a maximum of 18.

Takemura garnered 14 points on the grounds that he excels in vision, determination and character. He was

followed by Hosokawa with 12 points, Gotoda with 12, Hata and Ichiro Ozawa, Hata's co-leader in Shinseito with eight each, Yamahana with three, and Hashimoto and Kaifu with two each.

On Tuesday [27 July] next week, Emperor Akihito and Empress Michiko will visit Okushiri Island off the northernmost main island of Hokkaido to encourage residents there stricken by this month's devastating earthquake and tidal waves.

The killer quake measuring 7.8 on the Richter scale hit the area on the night of July 12, killing 192 people, 161 of them on Okushiri Island with a population of 4,700, and 48 others were still missing as of Friday morning.

The Economic Planning Agency will release a white paper on the economy Tuesday, and the Ministry of International Trade and Industry will announce a preliminary report on June's mining and industrial production Thursday [29 July].

LDP Support for Mitsuzuka Candidacy Lacking

OW2307072693 Tokyo KYODO in English 0519 GMT 23 Jul 93

[Text] Tokyo, July 23 KYODO—The largest faction within the Liberal Democratic Party (LDP) is cautious about its leader Hiroshi Mitsuzuka seeking the party presidency to replace outgoing Prime Minister Kiichi Miyazawa, faction sources said Friday [23 July].

Most senior figures of the 73-member group were reluctant at a meeting Friday to have Mitsuzuka run in an election for the post in the wake of two new conservative parties' move to help establish a non-LDP coalition government, the sources said.

Mitsuzuka, chairman of the LDP's Policy Affairs Research Council, has expressed a desire for the LDP's top post, which once automatically carried with it the prime ministership because of the party's control of the House of Representatives. The LDP failed to regain a lower house majority in Sunday's [18 July] general election.

A senior official of the LDP's third-largest faction led by former Foreign Minister Michio Watanabe said Friday morning his group may not demand the presidency for their boss either if a non-LDP coalition government is set up.

The faction comprising 67 members also held a leadership meeting Friday morning to discuss the LDP presidential selection process. Watanabe too has expressed a strong interest in the job.

The prospect of a non-LDP coalition gathered strength Thursday [22 July], when leaders of two new conservative forces endorsed a campaign by five other parties to end the LDP's 38-years grip on power and set up a

coalition government. Morihiro Hosokawa, leader of the Japan New Party (JNP), said his party may tie up with an opposition alliance.

Sakigake (Harbinger) leader Masayoshi Takemura buttressed his ally Hosokawa by saying he prefers to team up with a non-LDP coalition rather than cooperate with an LDP-dominated government. The JNP and Sakigake are considered to have a swing vote in the upcoming election for prime minister at a special Diet session expected to convene August 2.

On Thursday, Miyazawa announced his resignation as LDP president and prime minister to take the blame for his party's failure to secure a lower house majority.

The LDP subsequently began discussing how to select a new president and decided at Friday's representative meeting to hold a secret vote by all LDP parliamentarians around next Thursday [29 July], party sources said.

It also decided to allow its Diet members to vote for any candidates without factional influence, a radical departure from the LDP's traditional way of selecting its leaders, the sources said. Previous LDP presidents had been chosen through back-room negotiations among faction leaders.

The LDP was forced to make a major shift in the leadership selection after many junior legislators at Thursday's meeting of its Diet members voiced opposition to secretive talks to decide the presidency.

Keidanren Opens Three-Day Meeting 22 Jul

OW2207055993 Tokyo KYODO in English 0427 GMT 22 Jul 93

[Text] Oyama, Shizuoka Pref., July 22 KYODO—The Federation of Economic Organizations (Keidanren) opened a three-day meeting Thursday [22 July] at its guesthouse at the foot of Mount Fuji, with discussions expected to focus on its political contributions.

Gaishi Hiraiwa, chairman of the top Japanese business organization, urged in an opening speech that frank discussions be held on relations between the business community and political parties. He said Japan is "at an historic turning point," as the results of the July 18 House of Representatives election showed. In the election, the Liberal Democratic Party lost its majority in the lower house.

Twenty-six executives are attending the meeting, being held on the theme of "The World and Japanese Companies in the 21st Century."

Hiraiwa is scheduled to hold a press conference on the final day of the meeting Saturday to clarify Keidanren's position on politics, political contributions and other subjects, officials said.

Political Party Leaders Vow To Restore Trust

*OW2207074193 Tokyo KYODO in English 0725 GMT
22 Jul 93*

[Text] Tokyo, July 22 KYODO—Leaders of various political parties vowed Thursday [22 July] to make efforts to restore public trust in politics as the trial for retired political power broker Shin Kanemaru began.

Tsutomu Hata, leader of new conservative party Shinseito (Japan Renewal Party), said the country needs to terminate its money-guzzling political structure. Shinseito, which was founded last month by politicians once very close to Kanemaru, issued a statement expressing regret about Kanemaru's indictment on tax evasion.

Kanemaru's case led to a wide loss of public trust in politics, said the statement issued by senior Shinseito official Kozo Watanabe, a former minister of international trade and industry.

Asked by reporters for comment on Kanemaru's argument that he intended to use the fund for future realignment of Japan's political world, Watanabe said Shinseito has nothing to do with it.

Prime Minister Kiichi Miyazawa, who announced his resignation as president of the Liberal Democratic Party, refused to comment on the issue.

Miyazawa said he has never received reports on Kanemaru's trial, which started at the Tokyo district court on Thursday.

In the first day of his trial, Kanemaru pleaded not guilty to charges of dodging over 1 billion yen in taxes between 1987 and 1989.

The secretary general of the country's largest opposition party, the Social Democratic Party [SDP], said voters suspect Kanemaru amassed personal assets and will not accept Kanemaru's contention that he had intended to use the money for political purposes to reshape Japan's political world.

Hiroataka Akamatsu, the SDP secretary general, said Kanemaru had displayed enormous political power to collect the unlawful fund which would have been unpardonable if used for realignment of political parties.

The LDP, which was under Kanemaru's strict grip until last fall, failed to issue a formal comment, only saying that the matter is now in the hands of the judiciary and the governing party will watch the developments.

Morihiro Hosokawa, head of another new conservative group, the Japan New Party, lashed out at Kanemaru, saying the tax evasion scandal has dealt a decisive blow to politics. Hosokawa called for a thorough accounting of the scandal in court and pointed out the need to achieve political reform programs that include an anticorruption legislation.

"The scandal has given the impression that all politicians are scoundrels," said Masayoshi Takemura, head of a third new party called Sakigake (Harbinger). Takemura also pointed out the need for an early realization of political reform at an autumn session of the Diet.

Kanemaru retired from politics last October after being fined 200,000 yen for taking a 500 million yen illicit donation from the now-defunct Tokyo Sagawa Kyubin delivery firm. Kanemaru was indicted on March 27 on tax evasion charges. He was instrumental in bringing Prime Minister Kiichi Miyazawa and his predecessor Toshiki Kaifu to power.

JNP, Sakigake Vow Political Reform Within 1993

*OW2307082093 Tokyo KYODO in English 0701 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—The Japan New Party (JNP) and Sakigake (Harbinger) called Friday [23 July] for establishing a political reform-minded government free of corruption.

In their first full-scale meeting since Sunday's [18 July] general election, the two new conservative parties agreed on a number of conditions for their rallying behind a new government. These conditions include legislation to create an electoral system combining small constituencies and proportional representation, tougher penalties for political fund law violations and a ban on contributions to political parties from companies and groups.

Sources close to the JNP-Sakigake meeting said the two parties agreed to press for the passage of political reform legislation containing these objectives within this year.

JNP leader Morihiro Hosokawa and Sakigake chief Masayoshi Takemura on Thursday [22 July] expressed support for a campaign by five opposition parties to wrest power from the dominant Liberal Democratic Party.

Three Mitsuzuka Campaign Workers Arrested

*OW2207122893 Tokyo KYODO in English 1148 GMT
22 Jul 93*

[Text] Sendai, July 22 KYODO—Three campaign workers for senior Liberal Democratic Party (LDP) member Hiroshi Mitsuzuka were arrested Thursday [22 July] on suspicion of giving out more than 100,000 yen in violation of the election laws, police said.

Akira Mito, 41, of Kajima Corp., Kazuo Funayama, 44, of Toda Corp. and Takashi Takeishi, 41, of Tokai Kogyo Co. were arrested for allegedly giving the money to members of the campaign staff as a reward for telephone canvassing for the July 18 general election.

Mitsuzuka, chairman of the LDP's Policy Affairs Research Council, won a seat in the election from the five-seat Miyagi No. 1 constituency by capturing second place out of eight contenders.

Police said the three arrested campaigners gave the money to three canvassers on or around July 16 at Mitsuzuka's Sendai office. Police searched the Sendai office of Mitsuzuka and offices of the three construction companies where the arrested work in connection with the alleged violation.

The three arrestees were dispatched to the Sendai office to help Mitsuzuka's election campaign although the construction industry had decided to refrain from sending their employees to candidate offices during the campaign period.

Kanemaru 'Slapped' With Penalty Taxes

OW2207125793 Tokyo KYODO in English 1224 GMT 22 Jul 93

[Text] Tokyo, July 22 KYODO—Tax authorities said Thursday [22 July] that they slapped 2.76 billion yen in penalty taxes on disgraced political kingpin Shin Kanemaru for failing to declare 3.35 billion yen in income during a four-year period from 1986. The undeclared income was a record amount for a lawmaker in Japan, exceeding the previous record figure of 2.8 billion yen by former environment agency Toshiyuki Inamura, whose evasion case came to light in 1990, they said.

The 78-year-old former politician had originally been ordered by tax authorities to acknowledge and report 1 billion yen in undeclared income, making a total figure of 4.35 billion yen, sources close to the Tokyo Regional Taxation Bureau said.

The bureau had then refrained from imposing further penalty taxes on Kanemaru in the expectation that he would report the additional 3.35 billion yen. However, on the first day of his trial for tax evasion on Thursday, Kanemaru denied the charges against him, whereupon the bureau imposed penalty taxes on the 3.35 billion yen as there seemed little likelihood he would honestly report all his undeclared income, they said.

Kanemaru purchased some 1.5 billion yen worth of discount bank debentures from two long-term credit banks in 1986 with money that was off the books and was invested in the debentures through fabricated bank accounts, the sources said.

The bureau recognized that Kanemaru's attempts to conceal the income were pernicious, they said.

Kanemaru, former Liberal Democratic Party (LDP) vice president, was indicted in March, along with his close aide Masahisa Haibara, for evading 1.04 billion yen in taxes on about 1.84 billion yen in income during a three-year period from 1987. Haibara has been charged with dodging 310 million yen in taxes on about 610 million yen in income from 1987 to 1991.

In Thursday's court hearing, Kanemaru's defense council denied the tax evasion charges, claiming his

client had intended to use the money for political activities and thus had no intention of hiding it from tax authorities. Haibara admitted the charges against him.

The two defendants, however, refuted another prosecution charge that they had conspired to avoid Kanemaru's having to pay some portion of his tax.

Inamura was given a 40-month sentence after being indicted in December 1990 for concealing profits earned from stock sales. Inamura, who appealed against the ruling, faces about 2.3 billion yen in back taxes.

Kanemaru's Aide Haibara To Be Released 'Soon'

OW2207140893 Tokyo KYODO in English 1244 GMT 22 Jul 93

[Text] Tokyo, July 22 KYODO—A Tokyo court will soon release Masahisa Haibara, who is on trial for tax evasion charges along with his former boss Shin Kanemaru, on bail of 100 million yen, court officials said Thursday [22 July].

The Tokyo District Court decided Thursday to discharge Haibara from the Tokyo detention house immediately after he puts up bail, they said. The 49-year-old former secretary to Kanemaru was indicted by prosecutors in March, along with Kanemaru, on charges of skipping some 310 million yen in taxes on about 610 million yen of income between 1987 to 1991.

Kanemaru, 78, former Liberal Democratic Party (LDP) vice president, was charged with eluding some 1.04 billion yen in taxes on about 1.84 billion yen of income from 1987 to 1989.

Although Kanemaru was freed in late March on bail of 300 million yen, Haibara has been in custody at the detention house since his arrest early that month due to the objection of prosecutors who fear he could meet and conspire with Kanemaru, sources close to prosecution said.

Both Kanemaru and Haibara stood the first court hearing on their tax evasion charges Thursday. While Kanemaru denied the charges, Haibara admitted guilt.

Ibaraki Governor Arrested in Bribery Scandal

OW2307121793 Tokyo KYODO in English 1205 GMT 23 Jul 93

[Text] Tokyo, July 23 KYODO—Tokyo district public prosecutors said they arrested Ibaraki Gov. Fujio Takeuchi on Friday [23 July] night for allegedly receiving 10 million yen in secret donations from scandal-ridden Hazama Corp. in February 1990. Takeuchi allegedly was at the governor's official residence in Mito when he accepted the bribe in connection with a dam project in the prefecture, the prosecutors said.

Earlier, sources close to the investigation said Takeuchi is also suspected of receiving 30 million yen of secret

donations from Hazama last April in connection with the prefecture's public works projects.

In addition the prosecutors suspect the governor received another 20 million yen worth of secret donations from Hazama officials in May 1990, the sources said.

Denies Allegations

OW2307085793 Tokyo KYODO in English 0826 GMT 23 Jul 93

[Text] Mito, July 23 KYODO—Tokyo district prosecutors are summoning Ibaraki Gov. Fujio Takeuchi Friday [23 July] in connection with a widening construction industry bribery scandal, investigation sources said. The sources said Takeuchi is facing allegations that he received 30 million yen in secret donations from Hazama Corp., the firm accused of bribing at least two city mayors.

Takeuchi is suspected of receiving the money from Hazama officials at a Tokyo hotel in April of last year in connection with the prefecture's public works projects, the sources said. Takeuchi denied the allegations at a press conference Friday.

Hazama acquired at least three major construction orders from the prefecture from 1986 to 1992 to construct a dam, a biotechnology center and a sewerage facility, the sources said.

The construction firm is also bidding for two other large projects—one to move the prefectural government office to a suburb of Mito and the other for a dam—the sources said. The project to shift the government offices is scheduled to start in 1997 at an estimated cost of 70 billion yen and the dam construction projected is expected to cost 38 billion yen, they said.

At the press conference at the prefectural government office, Takeuchi categorically denied receiving money from Hazama, saying he does not take political contributions from contractors. "Various builders come to my office to petition for projects. I listen to the petitions but it does not mean I exert my influence," he said.

Takeuchi, 75, a former Construction Ministry bureaucrat, was first elected governor of the prefecture in April 1975 and is currently serving his fifth four-year term. He is also chairman of the association of seven prefectural governors in the Kanto region.

On Monday [19 July], Tokyo prosecutors arrested Masahiro Oyama, the mayor of Sanwa, Ibaraki Prefecture, on suspicion of pocketing 14 million yen in kickbacks from Hazama.

Late last month, six top executives of four major contractors were arrested, along with the then mayor of Sendai, Toru Ishii, for allegedly paying 100 million yen in bribes to Ishii in exchange for favorable treatment on bidding for public projects. The four companies are

Hazama, Shimizu Corp., Nishimatsu Construction Co. and Mitsui Construction Co. Ishii and five of the six executives have been indicted on charges of bribery.

Former Hazama Chairman Shigeru Honda, 72, indicted in the Ishii bribery case, and Takashi Otsuru, 58, a senior Hazama official arrested in the Sanwa town case, are believed to have been involved in paying the 30 million yen to Takeuchi, the sources said.

The series of scandals involving the contractors came to light in the course of investigating a massive tax evasion case involving disgraced political power broker Shin Kanemaru. Kanemaru, 78, appeared in a Tokyo court Thursday [22 July] for the first hearing of his trial on charges of evading some 1.04 billion yen in tax on about 1.84 billion yen in undeclared income during a three-year period from 1987. He denied the charges.

The former Liberal Democratic Party (LDP) vice president once wielded enormous clout in the LDP's so-called "construction lobby"—which reportedly distributes projects among builders.

Official Rules Out Immediate Discount Rate Cut

OW2107131593 Tokyo KYODO in English 0915 GMT 21 Jul 93

[Text] Tokyo, July 21 KYODO—A senior Finance Ministry official Wednesday [21 July] ruled out the need for an immediate cut in the official discount rate, although the market continued to anticipate a lowering of interest rates. The official, speaking on condition of anonymity, said the key lending rate the Central Bank charges on loans to commercial banks is already at historically low levels and it is too early to decide whether more cuts are needed for the economy.

The discount rate, last lowered in February, stands at 2.5 percent per annum.

There is renewed market anticipation about a cut in light of the weakness of recuperation of the nation's economy.

Regarding statistics indicating that economic recovery is fragile, including the sluggish leading economic indicator released Tuesday, the official said some volatility is common during periods of economic rebound.

In any case the situation is not expected to get any worse, the official said. He welcomed the current stability of the dollar-yen exchange rates and the absence of any market-affecting comments by U.S. Government officials.

Finance Minister: Signs of Recovery Appearing

OW2207023393 Tokyo KYODO in English 0223 GMT 22 Jul 93

[Text] Tokyo, July 22 KYODO—Finance Minister Yoshiro Hayashi said Thursday [22 July] signs of economic recovery are appearing and he is confident the nation is heading for sustainable growth led by domestic demand.

Hayashi told a meeting of bankers at secondary regional banks that various economic stimulation measures, including two pump-priming packages introduced by the government and monetary easing, are expected to support the nation's business conditions, while corporate sentiment is beginning to improve.

He called on financial institutions to liquidate their bad assets from a long-term perspective, as well as preparing for further possible write-offs in the future. Thorough streamlining is essential, he said.

Referring to systematic reforms in the financial sector, the finance minister pledged efforts to liberalize interest rates on floating deposits sometime next year.

BOJ Says Economic Slump Nearly Over

*OW2307101693 Tokyo KYODO in English 0952 GMT
23 Jul 93*

[Text] Tokyo, July 23 KYODO—An economic slump in Japan is nearly over, with stock adjustments ending, personal consumption stopping its decline and a major boost in spending by the public sector, the Bank of Japan [BOJ] reported Friday [23 July].

"Japan's economic slowdown is nearly over and the grounds for recovery are prepared as inventory adjustment is complete and other important stock adjustments are finishing under expansionary monetary and fiscal policies," the central bank said in its quarterly report.

But it also said "several uncertainties do exist, however, with respect to the future course of the Japanese economy." Those uncertainties include a lack of clear indications of an imminent recovery in corporate capital spending and the possible impact of the yen's appreciation against major currencies on business outlays.

"There is a crucial question remaining as to if and when steady economic expansion led by private demand will begin," the report said, predicting that a gradual recovery would take place in the second half of fiscal 1993, as better inventory and capital destocking performances are expected to contribute to raising production and corporate profits.

"The yen's appreciation may exert a negative influence on the economy through deterioration in corporate profits," it said.

The report noted that although housing investments are increasing, no "spectacular increase" will be seen with consumption. However, consumption may gradually recover in fall, it added.

Meanwhile, the central bank in its latest report focused on balance sheet problems among private companies.

"Deterioration on balance sheets tends to slow economic expansion both by limiting risk-taking investment behavior in the corporate sector and the willingness to share risks on the part of financial institutions," it said.

Such balance sheet issues emerged in the wake of the collapse of asset inflation, sharply bringing down stock prices as well as real estate values.

A senior BOJ official said the nation cannot rely too much on growth of bank lending as a stimulant of business conditions. "In light of both stagnant loan demand and cautious lending by private financial institutions, it will take some time for bank lending to show any distinct recovery," the central bank reported.

According to the BOJ, the M2—cash in circulation, and time and demand deposits—plus certificates of deposit (CDS) decreased 0.2 percent in the first quarter of this year from a year earlier before gaining 1.1 percent in the second quarter. In the third quarter, the central bank projects the M2 plus CDS will grow between 1 and 2 percent from the levels of the previous year.

"Public finance will continue to contribute positively to the money supply despite continued low growth in lending by private financial institutions," the BOJ said.

Farmers Urged To Curb Vegetable Price Hikes

*OW2207060093 Tokyo KYODO in English 0525 GMT
22 Jul 93*

[Text] Tokyo, July 22 KYODO—The Agricultural Ministry has asked farmers to harvest and ship vegetables even if they are not quite ripe to help curb rising prices caused by the prolonged rainy season, ministry officials said Thursday [22 July].

According to the officials, the harvest and transportation of 14 kinds of vegetables, including tomatoes and cabbages, are carried out according to a plan agreed each month by the government, producers' groups and wholesalers. But due to the recent unseasonable weather, vegetable shipments in July declined by an average 10 percent, causing price hikes, they said.

On the Tokyo central wholesale market, cabbage prices have tripled and tomato prices have doubled.

The Ministry of Agriculture, Forestry and Fisheries expects the prices to calm down as soon as the rainy season ends. In the meantime, the ministry has circulated an urgent note to local governments and farmers' associations to ask farmers to keep up with planned shipments, the officials said.

Government Panel Plans Unmanned Space Shuttle

*OW2107015993 Tokyo KYODO in English 1355 GMT
20 Jul 93*

[Text] Tokyo, July 20 KYODO—A Japanese Government panel has decided on a plan to develop an unmanned space shuttle, which is expected to be launched by around 2005, sources close to the space activities committee said Tuesday [20 July]. The plan aims to launch a pilot space shuttle in fiscal 1999 to

make tests for practical use of the Japanese version of a space shuttle, the sources said.

The space development panel, headed by Science and Technology Agency chief Shozo Watanabe, is within the Prime Minister's Office.

The agency plans to start the project, which will contribute to an international space development project, in the next fiscal year based on the panel's plan, they said. The agency will ask the Finance Ministry to provide total expenses for development and research of the shuttle from fiscal 1994, which begins in April 1994, the sources said.

The 16-meter-long pilot space shuttle will be launched to conduct tests on reentering the atmosphere and automatic landing on earth, they said.

Total expenses for development of the shuttle are estimated at 150 billion yen, the sources said. The agency will spend an additional 350-400 billion yen on the development of the unmanned space shuttle.

The shuttle will be used to supply goods for a manned international space base, to check satellites, and to exchange parts for various equipment in space, they said.

North Korea

Clinton's 'Provocative Utterances' Criticized

SK2207110093 Pyongyang KCNA in English 1011 GMT 22 Jul 93

["Clinton's Provocative Utterances Condemned"—KCNA headline]

[Text] Pyongyang, July 22 (KCNA)—The Nepal Dang regional committee for supporting Korea's reunification in a statement on July 12 sternly denounced U.S. President Clinton for uttering provocative words against the DPRK during his South Korean tour at the time when a bright prospect of Korea's reunification is opening.

The statement said:

We cannot remain an onlooker to the moves of the U.S. imperialists violating international law and abusing the United Nations.

The DPRK is a proud entity of mankind which is firmly defending the banner of socialism.

Imperialism hates it as a thorn in its side.

The United States is pursuing war and destruction, not the reunification of Korea, and trying to stifle the sovereignty of socialist Korea. This was fully exposed by the utterances of Bill Clinton.

We sternly denounce the dark intention of Clinton.

The Nepal Dang regional committee for supporting Korea's reunification actively supports the just measures

of the DPRK for defending national sovereignty and all its nuclear activities for a peaceful purpose.

Ministry Spokesman Claims U.S. To Provide Reactors

SK2207222293 Pyongyang Korean Central Broadcasting Network in Korean 2110 GMT 22 Jul 93

[Text] A spokesman of the DPRK Foreign Ministry answered yesterday a question raised by a KCNA [Korean Central News Agency] reporter on the second-stage of DPRK-U.S. talks which was recently held in Geneva and the announcement of a report on the results of the talks.

The DPRK and the United States made progress in the Geneva talks and the talks were productive. The New York talks laid out principles for resolving the nuclear issue and pending issues between the DPRK and the United States whereas the Geneva talks were held to prepare practical measures [silchonjok taechek] for the implementation of the abovementioned issues.

The United States especially reaffirmed its commitment [kongyak] that it is against the use of nuclear weapons against us and providing a threat with such nuclear weapons. This stresses the high-priority duty of the United States for resolving the nuclear issue from its origin when viewing the source of the nuclear issue on the Korean peninsula.

Proceeding from this, at the recent talks the issues to practically eliminate the U.S. nuclear threat against us, such as the legal guarantee for nonuse of nuclear weapons, the guarantee for not deploying nuclear weapons in South Korea, and the cessation of the Team Spirit joint military exercise were discussed, and the two sides agreed that putting these issues into practice is useful in solving the nuclear issue.

Our proposal for introducing light-water-moderated reactors [LWR's] at the current talks showed our utmost [choedae] will to finally [chonggukchokuro] solve the nuclear issue. The United States, as well, supported and welcomed this proposal of ours and expressed the willingness to provide the LWR's [Migukto uriui ijeaul chiji hwanyonghago kyongsuro chegong yonguirul pyosihayotta].

The issue of replacing our present graphite-moderated reactors with the LWR's is a political issue related to the basic attitude on whether or not the United States has the will to sincerely solve the nuclear issue, rather than a technological and financial issue.

If the United States attaches importance to inspection only, turning away from introducing the LWR's which could finally solve the nuclear issue, or delays its implementation under the excuse of legal and financial reasons, this cannot be regarded as an attitude to sincerely solve the nuclear issue but would be regarded as seeking a selfish aim.

At the recent talks we clarified again our principled position on negotiating with the International Atomic Energy Agency [IAEA] and the North-South dialogue issue. It is our consistent position to solve problems through negotiations.

The reason the nuclear issue has become currently complicated is due to the IAEA's ignoring our proposal for negotiations. It took an unwarranted position and attitude in applying safeguards. In future negotiations with the IAEA, the matter of its impartiality will be extensively [chipchungjokuro] discussed.

In the process of the current talks, the United States understood and showed support for our just demands for the implementation of the North-South joint declaration on the denuclearization through the North-South dialogue, and for the realization of the exchange of special envoys for the summit. The success of North-South talks now depends on how the South side will respond to this.

The DPRK and the United States reached an agreement to continue talks to lay the basis for improving overall relations between the DPRK and the United States, including technical questions related to the introduction of the LWR's. This is an important advancement [chunghohan chinjon] made in the current talks.

With the third-stage DPRK-U.S. talks ahead, the two sides should avoid unnecessary remarks and acts that go against the atmosphere of the talks, and pay attention to their necessary responsibilities.

As for the length of time between the current talks and the next round of talks, it is by no means a suspension of the talks, but a continuing process [yonsokchok kwachong] of talks to find a way to achieve success in the next round of talks.

Therefore, we think that the future DPRK-U.S. talks will make good progress.

Commentary Denounces ROK Reunification Policy

SK2207080493 Pyongyang Korean Central Broadcasting Network in Korean 0030 GMT 21 Jul 93

[NODONG SINMUN 21 July commentary: "Ambition for Reunification Through Victory Over Communism Was Disclosed Once Again"]

[Text] In the ceremony marking the constitution day, the so-called speaker of the South Korean National Assembly said on 17 July that their Constitution will not allow any reunification policy except for the reunification based on the principle of freedom and democracy.

Reunification based on the principle of freedom and democracy just means reunification through a victory over communism. The so-called speaker of the South Korean National Assembly has emphasized reunification based on the principle of freedom and democracy. This openly shows the criminal ambition of the present

South Korean rulers to only achieve reunification through a victory over communism and reunification through absorption.

The South Korean rulers, talking about civilian politics, have babbled that essential changes will take place in North-South relations as well as the reunification issue during their term of office.

If the present South Korean rulers really expect essential changes to take place in the reunification issue, they must abandon their anachronistic policy of reunification through a victory over communism and embark on the road to national reconciliation, unity, and peaceful reunification that can awake sympathy among peoples at home and abroad. The best way for our people to achieve national reunification is to create a unified confederal state [tongiljogin nyonbanggukka] based on the two systems and two governments existing presently in the North and South.

Nevertheless, the South Korean rulers have put forward the criminal policy of the reunification through a victory over communism which was maintained by the former dictators. They have openly propagated it as their reunification policy during the civilian government. How can the therefore be forgiven by our people who aspire for the reunification?

At one time the South Korean authorities talked about reunion or reunification behind the screen of the civilian government, but this was nothing but a fraudulent slogan designed to deceive public opinion. The South Korean authorities have recently showed their criminal attempt with real action.

As is known, the South Korean rulers have refused to accept our proposal for holding dialogues to solve the pending issues, including denuclearization on the Korean peninsula, under an unreasonable excuse. Instead, they have conducted the provocative 93-Ulji war exercise aimed at invading the North. This is an open act of betrayal like an act of wielding a knife against the fellow countrymen who want to cooperate and reconcile with each other.

They have run amok to the begging diplomacy [kugolwoegyo] by busily visiting international organizations and other countries to do harm [haechida] to the fellow countrymen under the pretext of the North's nuclear issue, which cannot be an issue at all. Also, during the U.S. President's visit to South Korea, they bowed their heads to him and asked him to punish [ungjing] and sanction [chechae] us.

It is obvious that this is a premeditated and intentional antipeaceful and antireunification criminal act that has originated in their insidious intention to realize their ambition for the reunification through a victory over communism and for reunification through absorption, thus doing harm to the fellow countrymen with the knife of foreign forces.

The so-called reunification through a victory over communism is a daydream that cannot be realized at all. We can never realize our country's reunification by conquering the other side. This is a truth that has already been proved by history. The former South Korean dictators came to a tragic end while crying for the reunification through a victory over communism.

If the South Korean rulers follow the road their predecessors had embarked upon, by that act they pass a death sentence death on themselves as well as the civilian government.

10-Point Program To Save 'Destiny' of Nation

*SK2207105693 Pyongyang KCNA in English 1029
GMT 22 Jul 93*

[Text] Pyongyang, July 22 (KCNA)—"10-point programme of the great unity of the whole nation for the reunification of the country" worked out by the great leader Comrade Kim Il-song is a patriotic programme indicating a way out for the nation, declares NODONG SINMUN in a by-lined article today.

The article says:

The 10-point programme clearly indicates a way out and concrete expedients for surmounting the difficulties and saving the destiny of the nation.

It teaches those who have sought a way out in dependence on outside forces and "protection" of their "nuclear umbrella" that this way will lead the nation to destruction and that only the great unity of the whole nation is the way of ensuring the coexistence of the North and the South and shaping the destiny of the nation.

The programme also clearly shows the way of strengthening the internal forces of the nation, the decisive forces for achieving peace and peaceful reunification of the country and shaping the destiny of the nation.

The Korean people have dynamically advanced along the road of socialism, smashing the vicious anti-socialist, anti-DPRK moves of the imperialists at each step with the powerful strength of singlehearted unity around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

In the programme the great leader says that those who are concerned over the destiny of the nation, whether they be in the North, or in the South, or overseas, and whether they be communists or nationalists, rich or poor, atheists or believers, must unite as one nation, transcending all their differences.

He also says that the members of the nation should value democracy and join hands for national reunification, without rejecting each other because of differences in ideas and principles and that the whole nation, North, South and overseas, should strengthen solidarity for the sake of the country's reunification. This serves as a

highly important guideline in accomplishing the cause of national reunification without fail with concerted efforts of the nation.

South Government Act 'Fascist Offensive'

*SK2207054193 Pyongyang KCNA in English 0500
GMT 22 Jul 93*

[**"Fascist Outrage of 'Civilian Dictatorship'"—KCNA headline**]

[Text] Pyongyang, July 22 (KCNA)—The South Korean authorities on July 20 invoked the so-called "emergency arbitration power" against the labor union of the Hyundai Motors Co. on strike.

NODONG SINMUN today brands this as a prelude to the fascist offensive to put down the struggle of the workers of companies under the Hyundai Business Group demanding democratic and vital rights and other workers solidarizing with them.

The news analyst says:

The present "government" styling itself "civilian regime" is committing the fascist outrage which even the truculent dictators of the "fifth and sixth republics" dared not do. This is an unpardonable crime.

The South Korean workers' struggle for the right to labor and democracy is an inevitable outcome of the anti-popular labor policy of South Korean authorities.

Far from meeting the just demand of the workers including wage hike, the South Korean authorities answered it with fascist club wielding, siding with the employers. This strips them bare as the enemy of the workers and other working people like the preceding military dictators.

If the South Korean authorities do not want to taste the blow of the strong fists of the awakened workers, they must immediately stop fascist outrage and bayonet-brandishing against them.

Prince Sihanouk Sends Gift to Kim Chong-il

*SK2207110893 Pyongyang KCNA in English 1034
GMT 22 Jul 93*

[Text] Pyongyang, July 22 (KCNA)—Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, was presented with a gift by His Royal Highness Samdech Norodom Sihanouk, head of state, chairman of the Supreme National Council and supreme commander of the Armed Forces of Cambodia, on a goodwill visit to Korea.

The gift was handed to an official concerned today by H.R.H. Samdech Norodom Sihanouk.

Activities Honor War Victories, Veterans**KPA Promotion Ceremony Held**

*SK2207044793 Pyongyang KCNA in English 0434
GMT 22 Jul 93*

[Text] Pyongyang, July 22 (KCNA)—A ceremony for awarding military ranks of generals to veterans of the Korean People's Army (KPA) who had participated and rendered meritorious services in the Fatherland Liberation War took place here on July 21 on the occasion of the 40th anniversary of the victory in the war.

Present on the occasion were Marshal O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of people's Armed Forces, general of the KPA Yi Pongwon and others.

According to an order of the supreme commander of the Korean people's army, a higher military rank was conferred upon heroes of the republic who had performed heroic feats in the Fatherland Liberation War, professors and doctors who had participated in the war and have made contributions to the development of military science and veterans who have served in defence of the country in military uniform for a long time ever since their participation in the war.

At the ceremony, speakers said the history of human liberation struggles knows many veterans who shed blood in sacred battles in defence of their motherland, but such veterans as those in Korea who are respected as the pride of the nation and ardent patriots and enjoy a dignified life and glory cannot be found in any other country.

They vowed to make an active contribution to firmly preparing the hardcore of the Korean Revolutionary Armed Forces and help the third and fourth generations of the revolution succeed the blood of the Korean revolution with fortitude and thus fulfill their obligations as loyal subjects of the Workers' Party of Korea, as revolutionary veterans.

A message of pledge to Comrade Kim Chong-il, supreme commander of the Korean People's Army, was adopted at the ceremony.

Nation's 'Great Victory' Acclaimed

*SK2207005293 Pyongyang KCNA in English 2225
GMT 21 Jul 93*

[Text] Pyongyang, July 21 (KCNA)—In the three-year Fatherland Liberation War (June 1950-July 1953) the Korean people won great victory and shattered to smithereens the myth of the enemy's "mightiness".

Making preparations for the Korean war, the enemy bluffed before the world, blaring that his victory was sure and it was a matter of time.

During the war they hurled into the Korean front two million troops and large quantity of latest combat materiel.

By comparison, however, the Democratic People's Republic of Korea was too young.

The enemy made desperate attempts to earn fame as an honourable "victor" but suffered miserable setbacks everywhere.

The U.S. 24th infantry division, known to be an "invincible division", was annihilated in Taejon in July 1950 and its Commander Dean was taken prisoner.

"Baltimore", a heavy cruiser which boasted of being an "islet afloat on seas", and a light cruiser were destroyed and sunken by four torpedo boats of the Korean People's Army in the East Sea of Korea off Chumunjin.

The enemy showed heavy losses in battles on the Chongchon River line and the Lake Changjin, and drank a bitter cup in the battle for Hill 1211.

The battle on Hill 1211 was a fierce one unprecedented in the history of wars.

The enemy showered 30,000 to 40,000 shells and bombs and made waves of attacks over ten times everyday.

They made 125 attacks over October 27-31, 1951, but the defenders did not step back even an inch to defend the hill.

The enemy channelled efforts for more than two years to turn Hill 351 into an "impregnable fortress," saying he "would not give up Hill 351 even if he were to surrender Seoul". But the hill was captured in only fifteen minutes by a battalion of the People's Army supported by the artillery fire of over 150 guns.

More miserable was the enemy's defeat as days went by.

The enemy who had bragged that he would swallow up the northern half of Korea at a stroke fell on his knees before the Korean people in July 1953 and stamped the seal of surrender on the document of the armistice agreement.

In the three-year Korean war they lost more than 1,567,000 effectives, 12,200 aircraft, 3,250 tanks and armoured vehicles, 560 warships of various kinds and large quantities of combat and technical equipment.

The world people were struck with admiration at this brilliant victory won by the Korean people, calling it "feats of world historic significance" and a "miracle of the present century".

All this was the result of the great leadership of the respected leader President Kim Il-song who is possessed of rare wisdom, outstanding strategy and tactics and warm love for the country and the people.

Kim Il-song Meets With Veterans

*SK2307073893 Pyongyang KCNA in English 0435
GMT 23 Jul 93*

[Text] Pyongyang, July 23 (KCNA)—The great leader President Kim Il-song yesterday received anti-Japanese revolutionary fighters residing in China.

Present there were Yi Chae-tok, Kim Son and So Sun-ok, anti-Japanese war veterans who fought together with President Kim Il-song during the glorious anti-Japanese armed struggle, and their families.

Kang Sok-song, director of the party History Institute of the Central Committee of the Workers' Party of Korea, and officials concerned were on hand.

President Kim Il-song recollected with deep emotion unforgettable comrades-in-arms and benefactors who fought heroically against the Japanese imperialists with arms in their hands and actively helped our revolutionary struggle during the arduous anti-Japanese armed struggle and highly appreciated their feats and had a cordial conversation with the guests.

The guests presented gifts to President Kim Il-song.

President Kim Il-song arranged a luncheon for them.

WPK Secretaries Visit Delegates

*SK2307052193 Pyongyang KCNA in English 0441
GMT 23 Jul 93*

[Text] Pyongyang, July 23 (KCNA)—Secretaries of the Central Committee of the Workers' Party of Korea Thursday [22 July] visited the lodgings of delegates of veterans who came to Pyongyang to participate in the National Conference of War Veterans.

Kye Ung-tae and Han Song-yong, members of the Political Bureau and secretaries of the WPK Central Committee, Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, and other secretaries called at their lodgings in Pyongyang and conversed with the veterans.

They congratulated the veterans upon their participation in the conference, the veterans who performed brilliant feats in the struggle for the liberation of the country and freedom and happiness of the people, upholding the leadership of the great leader President Kim Il-song, and expressed the belief that they would as ever keep the flower of revolution in bloom on the noble work for the accomplishment of the cause of the party, the socialist cause of chuche.

Veterans Awarded Commemoration Order

*SK2307062093 Pyongyang KCNA in English 0509
GMT 23 Jul 93*

[Text] Pyongyang, July 23 (KCNA)—Commemoration order on the 40th anniversary of the victory in the Fatherland Liberation War is being awarded to the war

veterans and workers of meritorious services who made contributions to the victory in the war.

The presentation of the commemoration order on the occasion of the significant anniversary of victory in the war, the day of second liberation when the dignity and sovereignty of the Korean people were defended, is an expression of deep trust in and expectation of the Workers' Party of Korea for the revolutionary soldiers of the old generation who honorably defended the freedom and independence of the country and performed undying feats for the country and the people by valiantly fighting on the front and in the rear in the great Fatherland Liberation War under the wise guidance of the respected leader President Kim Il-song and have staunchly advanced along the road of the revolution, invariably following the party.

A ceremony was held at the February 8 House of Culture on July 22 to award the commemoration order to the participants in the National Conference of War Veterans.

Exhibition Marks War Anniversary

*SK2207051193 Pyongyang KCNA in English 0502
GMT 22 Jul 93*

[Text] Pyongyang, July 22 (KCNA)—A national art photo exhibition opened here Wednesday to mark the 40th anniversary of the victory in the Fatherland Liberation War.

On display are some 200 art pictures on various themes including pictures dealing with the great honor and happiness of the Korean people under the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, pictures of the Korean people and the People's Army fighting to safeguard the party and the leader and defend the country firmly and pictures of war veterans firmly determined to live a worthy life for the party and the leader, the country and the people.

Paek In-chun, chairman of the Central Committee of the General Federation of the Unions of Literature and Arts of Korea, made an opening address.

Battle To Liberate Taejon Recalled

*SK2207221693 Pyongyang KCNA in English 1514
GMT 22 Jul 93*

[Text] Pyongyang, July 22 (KCNA)—The battle for liberating Taejon waged over July 14-20, 1950, during the Fatherland Liberation War, is a brilliant example of modern encircling operations.

The enemy launched a surprise armed invasion of the northern half of Korea on June 25, 1950 only to suffer a debacle in face of the prompt counterattack of the Korean People's Army [KPA].

Driven out of Seoul only three days after the start of the war, they proclaimed Taejon a "temporary capital" and built strong defence positions on the southern bank of

the Kum River. They declared it to be a "line of no retreat," "the last defence line".

In mid-July 1950, the great leader President Kim Il-song gave an on-the-spot guidance to the frontline command located in Suanbo South of Chungju. He acquainted himself with the enemy's situation and issued an order to the combined units in the western sector of the front to destroy the enemy's defence positions by crossing the Kum River and encircle and annihilate its main force in Taejon area. And he indicated a detailed tactical plan and war methods to this end.

The enemy predicted that People's Army units would cross the river at some chosen points. However, the KPA combined units crossed it all at once along the 12-kilometre section between Kongju and Taepyong-ri with the support of strong artillery firepower, while making mock river-crossing. Thus they totally destroyed the "line of no retreat" which the enemy blared they would defend for three years.

The combined units were moving in different directions to jam the enemy into Taejon, when the advance of one of the units was delayed by the stubbornly resisting enemy troops entrenched in a mountain position. The unit had been ordered to move toward southeast of Taejon and complete the siege by blocking the enemy's retreat and reinforcements.

At a decisive moment when the operation to liberate Taejon was at stake, President Kim Il-song got a report about the frontline situation and instructed that another unit which had already advanced into an area southwest of Taejon should make a detour behind the enemy line to southeast of the city to block his retreat.

Thus, the KPA unit which had advanced to Mt. Ron southwest of Taejon quickly marched to southeast of Taejon through steep mountain ridges of some 40 kilometres overnight and completed the siege of Taejon.

The KPA combined units went over to an all-out attack and locked the enemy in a narrow strip of Taejon six to seven square kilometres and dealt fatal blows at it.

Taejon was liberated on July 20.

In this operation commander of U.S. 24th Division, Dean, was captured. The People's Army killed, wounded and captured over 17,500 enemy effectives and captured or destroyed above 150 guns, 20 tanks, 1,000 army trucks and scores of military wagons, etc.

Kim Il-song, Kim Chong-il at Conference

SK2307053293 Pyongyang KCNA in English 0505 GMT 23 Jul 93

["National Conference of War Veterans Opens in Presence of President Kim Il-song"—KCNA headline]

[Text] Pyongyang, July 23 (KCNA)—A National Conference of War Veterans opened today at the February 8 House of Culture in Pyongyang.

The conference has been convened according to a decision of the Central Committee of the Workers' Party of Korea [WPK] and the party Central Military Commission.

The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, were present at the conference.

Participating in the conference are delegates of war veterans who took part in the glorious anti-Japanese revolutionary war and the great Fatherland Liberation War, upholding the leadership of the WPK and the leader and performed immortal feats for the motherland and the people, driving back the imperialist aggressors.

The conference was attended by O Chin-u, Kang Song-san, Pak Song-chol and other party and government cadres.

Hero Yi In-mo, a former war correspondent of the Korean People's Army, was also present as a veteran of the Fatherland Liberation War.

A congratulatory message of the Central Committee of the Workers' Party of Korea to the conference was conveyed by Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council.

A congratulatory group of the Korean People's Army read a congratulatory message to the conference.

Choe Kwang, vice-chairman of the National Defence Commission of the DPRK and chief of the general staff of the Korean People's Army, delivered a report titled "The War Veterans Must Continue Staunch Fight To Accomplish the Revolutionary Cause of Chuche With Loyalty to the Party's Leadership".

The conference continues.

WPK Sends Message to War Veterans

SK2307105493 Pyongyang KCNA in English 1009 GMT 23 Jul 93

[Text] Pyongyang, July 23 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a congratulatory message to the national conference of war veterans.

The message says:

The national conference of war veterans is a meeting of loyalty which demonstrates the indomitable fighting spirit and mettle of our veterans who participated in the

glorious anti-Japanese revolutionary war and the Fatherland Liberation War under the wise guidance of the respected leader Comrade Kim Il-song and performed proud feats for the motherland and the people and a historic meeting of epochal significance in creditably carrying forward the traditions of our people's heroic struggle, smashing the anti-socialist campaign of the imperialists and reactionaries and bringing the advantages and might of our-style socialism into fuller play.

Our war veterans are veteran revolutionaries who displayed heroism and self-sacrificing spirit in saving the destinies of the country and the nation and defending the sovereignty of the country and the gains of the revolution by waging a bloody struggle for many years against the imperialist aggressors and are vanguard fighters of the revolution who have played a pivotal role in victoriously advancing the revolutionary cause of *chuche*.

The Central Committee of the Workers' Party of Korea highly praises the veterans of the anti-Japanese revolution and of the Fatherland Liberation War who have performed brilliant feats in the noble struggle for the sovereignty and independence of the country and its development and prosperity, upholding the leadership of the party and the leader and continue waging a vigorous struggle to accomplish the revolutionary cause of *chuche*.

The great leader Comrade Kim Il-song has taught:

"Our revolution is not yet over; we must continue our struggle until we accomplish the revolutionary cause of *chuche*."

Very heavy are the duty and responsibility of the veterans in accomplishing the revolutionary cause of our party which started under the revolutionary banner of the *chuche* idea and has covered a road of victory and glory.

The veterans, deeply conscious that our people's capital luck is to be led by the great leader and the great party, must remain unfailingly faithful to the idea and leadership of the party and the leader and continue to display the honour of the hardcore elements defending their dear leader with their own lives.

The veterans must be staunch and steadfast fighters in adhering to the principles of socialism in any adversity, with the unshakable faith that it is their lifelong cause for themselves and the posterity to defend and complete our-style socialism centered on the popular masses.

The veterans must carry through the military line of our party and strengthen our People's Army into a matchless strong army so as to shatter the adventurous aggression moves of the imperialists at one blow and defend the party, the leader and the socialist system by Armed Forces.

The veterans must actively contribute to putting an end to nearly half a century old history of national division and achieving national reunification at an early date by vigorously rising up in the noble struggle of the whole

nation to reunify the country independently in a peaceful way in reliance upon the internal force of the united nation under the banner of the three principles of national reunification and the 10-point programme of the great unity of the whole nation, the common reunification programme of the nation.

The veterans must prepare the new generation firmly in political, ideological and class consciousness so that they may firmly establish the revolutionary world outlook of *chuche*, resolutely fight against imperialism and complete our-style socialism through generations.

Army-People Relations 'Deeper'

SK2307000593 *Pyongyang KCNA in English 1521 GMT 22 Jul 93*

[Text] *Pyongyang, July 22 (KCNA)*—The kindred feelings between the Army and the people are growing deeper in the Democratic People's Republic of Korea on the 40th anniversary of the victory in the Fatherland Liberation War.

The working people are sincerely assisting the soldiers, saying that the country can be defended firmly only when the People's Army remains strong.

Eight cities, counties and districts including Mangyongdae district, *Pyongyang*, *Kaechon City*, *South Pyongan Province*, and *Taechon County*, *North Pyongan Province*, were recently awarded the title of model county (city or district) in Army-people unity for their distinguished examples in giving full play to the traditional traits of Army-people unity.

This year 167 bodies in *Kaechon City*, *South Pyongan Province*, have so far visited People's Army units on a total of some 450 occasions, encouraging the soldiers to firmly defend the socialist country.

All bodies in *Taechon County*, *North Pyongan Province*, visited People's Army units four to five times, deepening the kindred feelings between the Army and the people.

Medical workers of the *Kim Man-yu Hospital*, the *Sunchon City people's hospital*, *Sinwon County People's Hospital* and other hospitals have treated soldiers with sincerity, donating their own blood and skin.

The soldiers of the People's Army, volunteering to undertake both the defence of the country and the building of socialism, are displaying matchless collective heroism at major construction sites of the country. Many soldiers during their vacation go to difficult and toilsome worksites, not to their home towns, to help workers and farmers with their work.

There are "Army-people fields," "Army-people reservoirs," "Army-people fish farms" and "Army-people bridges" built by soldiers in many parts of the country.

People's Army soldiers devote their youth to the defence of the lives and property of the people.

The traits of Army-people unity fully displayed in our society are a powerful demonstration of the advantages and vitality of our socialism closely united around the great leader and the dear leader.

Production Increases in Response to WPK Call

SK2307001293 Pyongyang KCNA in English 1535 GMT 22 Jul 93

[Text] Pyongyang, July 22 (KCNA)—A new upswing is being effected in production and construction in Korea in hearty response to the calls of the Central Committee of the Workers' Party of Korea for creating a "Speed of General March of Our Style Socialism".

The calls published on the occasion of the 40th anniversary of the victory in the Fatherland Liberation War appealed to all the Korean people to rise up and create the "speed of general march of our style socialism", recalling that they have built a prosperous socialism of our own style centred on the popular masses in the land of the country by displaying mass heroism and indomitable fighting spirit over the 40 years after the war.

Campaigns for creating a new speed have been conducted vigorously in Korea at each stage of the developing revolution, becoming the strong motive force of the revolution and construction.

Such miracles of the century as the accomplishment of socialist industrialization in a matter of 14 years in Korea were wrought through campaigns for creating a new speed of our style like the "Pyongyang speed", "Chollima speed" and "Kangson speed".

The great leader President Kim Il-song has said:

"Thanks to both the accuracy of the party's line of industrialization and its wise leadership in carrying out this line, and to the heroic and devoted struggle of our people in their work, the difficult and complex task of industrialization—which took the capitalist countries a full century or even a few centuries—has been creditably accomplished in our country in a short time—in only 14 years."

The Korean national industry was negligible before the industrialization. The development of the national industry was seriously hampered by the Japanese imperialists' colonial rule of nearly half a century, and even the insignificant industrial foundation was ruthlessly destroyed in the three-year war. Raw and other materials and funds were in short supply and technical force was weak. Under such conditions, it was by no means easy to realise industrialization without depending on others.

But Korea startled the world people in socialist industrialization, too.

President Kim Il-song put forward the line of realizing the socialist industrialization by transforming production relations in a socialist way prior to technical renovation of the national economy and properly setting

stages of the industrialization, developing the heavy industry preferentially while developing the light industry and agriculture simultaneously. And he wisely led the struggle for its materialisation. The socialist transformation of production relations was completed in town and country of Korea in only 4 to 5 years till August 1958, which opened a broad avenue for the development of productive force and technical progress.

Many heavy and light industrial bases with the machine-building industry as the core were built during the period of the five-year plan, the stage of laying the basis for industrialization.

In this period, the production of major machines and equipment including tractors, trucks and excavators and precision machines entered a full dress stage and a miracle was wrought by producing 13,000 machine tools in a year outside the plan. Some 2,000 local industrial factories were built in a little more than one year.

The five-year plan was fulfilled in two years and a half in terms of gross industrial output value and in four years in all indices of products, and industrial production jumped 3.5 times in this period.

Large-scale coal and ore mines, hydraulic and thermal power stations and many industrial establishments in the machine, metal, chemical and building-materials domains were constructed during the period of the seven-year plan, the stage of the overall completion of the industrialization. In 1970 over 1,760 local industrial factories were built in less than half a year on the occasion of the fifth congress of the Workers' Party of Korea.

The machine industrial domain produced modern large and precision machines including electric locomotives, 5,000-ton freezing carrier, 6,000-ton press, 300-hp bulldozers and 25-ton heavy trucks.

In a little more than sixth months the Chollima Street in Pyongyang and other modern streets took shape.

Industrial production grew at a high rate of 19.1 percent on an annual average in the whole period of the industrialization from 1957 to 1970. In this period industrial production grew 11.6 times, of which that of means of production 13.3 times and that of consumer goods 9.3 times.

The proportion of the industry in the total output value of the industry and agriculture increased from 34 percent in 1956 to 74 percent in 1969.

With the building of the multilaterally developed modern industry with domestic solid raw material and fuel bases, Korea turned into a developed industrial state from a backward agricultural state in a matter of 14 years.

Workers Party Publishes Kim Il-song Works

SK2207003693 *Pyongyang KCNA in English* 2217
GMT 21 Jul 93

[Text] Pyongyang, July 21 (KCNA)—The Workers' Party of Korea Publishing House brought out the first and second volumes of "On Building Revolutionary Armed Forces", a collection of works of The Great Leader President Kim Il-song, on the occasion of the 40th anniversary of the victory in the war.

The collection comprehensively consummates the outstanding military idea, strategies and tactics, church-based methods of war and commanding art put forward by President Kim Il-song, a great thinker and theoretician, distinguished military strategist and ever-victorious iron-willed brilliant commander, to ensure victory in the war and strengthen the defence capability of the country in different stages of the developing revolution such as the heroic anti-Japanese armed struggle, the rigorous Fatherland Liberation War and the socialist construction, and the precious feats and rich experiences in the struggle for their realisation.

Contained there are highly important reports, speeches, lectures, talks, orders and instructions of President Kim Il-song on the building of revolutionary Armed Forces in full texts or excerpts among many immortal classical works published from June 1930 to December 1991.

*** Food Shortages Said Worsening; No Relief Seen**

932C0157A *Seoul PUKHAN in Korean Jun 93 pp*
138-147

[By Pyon Hung-sang, member of the Academic Society for North Korean Studies]

[Text] There are increasing signs that the food situation in North Korea has come to a dead end with no prospect of relief. Food riots broke out (in August 1991) in 36 major cities in North Korea, including Sinuiju and Hungnam. Most North Koreans barely live on porridge due to the inadequate food rationing. For this reason, they call Kim Il-song "General Porridge" in secret language, and the words "a trek of ants" are secretly circulating to describe the rows of people collecting wild vegetables and fruits in mountains in the fall.

Especially people in China call Korean people "Korean pigs" claiming that North Korea has been importing cheap low-quality feed corn from China for the past several years to distribute it as part of the food rations to its inhabitants.

Walls of public toilets across North Korea are scribbled with words complaining about the food shortage, expressions such as "We are starving," "Divide the food evenly," "We cannot bear up anymore," and "Wish we could eat even corn noodles to our hearts' content."

Particularly, the scribbles in chalk found on the public toilet at the Manpo railway station in Manpo City,

Chagang Province, in about October 1989 read: "We are starving. Give us something to eat. Punish those who cheat." These scribbles all the more intensify the suspicions about the gravity of the food shortage in North Korea.

Recently, some North Koreans have starved to death. Some women living in Sinuiju near the border are said to sneak into (Dadoing) across the border to prostitute themselves, and bring back rice, wheat flour, and other foodstuffs in return so that they may keep their families from starving.

North Korea imported 1,000 kg of acorns from China to process it into salted paste for distribution to its citizens. Since the Pyongyang festival, the food shortage has worsened so much that workers bring "boxed porridge" to their offices for lunch.

Particularly, Kim Chong-il has ordered the people's Army personnel to take corn noodles as one of their regular meals and also issued orders to set up more noodle factories and increase noodle production in existing noodle factories.

Since 1991 North Korea has reportedly been distributing food rations just enough to cover only one meal a day for ordinary citizens and two meals a day for the people's Army personnel. That is why not only ordinary citizens but also Army soldiers stationed in remote mountainous areas sometimes rob passersby in broad daylight and plunder civilian homes of domestic animals and foodstuffs. North Korean inhabitants call these military plunderers "people's puppet Army," according to a Korean-Chinese who once visited North Korea. Another sign of the worsening food shortage in North Korea is the fact that Kim Il-song in his 1992 New Year's message set aside 1992 as "the year of a bumper crop," and that as he did in the preceding years, he repeated in his 1993 New Year's message his perennial call, "We must bring into realization the wishes of our people to have a daily meal of polished rice with meat soup, wear a silk dress, and live in a tile-roofed house."

North Korea has been energetically waging various food-saving campaigns among the North Koreans, such as "the acorn collection campaign," "the campaign to have only two meals a day," and "the patriotic rice-contribution campaign." While harping on the need to cut down on food consumption in these campaigns, North Korea is concentrating its efforts to develop and popularize substitute foods. All this indicates that the food shortage has come to the worst point.

Some food-short North Koreans steal crops from cooperative farms at night just before they are harvested, or plunder farms of food, and stage food riots. In response, Kim Chong-il has ordered that all food-related crimes be severely punished as antipopular offences, and that particularly, anyone involved in plundering for food, a food riot, or a raid on a food rationing center be shot to death.

North Korean inhabitants receive food through a onerous rationing system. After liberation North Korea instituted a food rationing system for only people in certain strata. But subsequently it expanded the rationing system to include everyone except members of cooperative farms (who receive their shares of crops at the year-end settlement and distribution session) under "Cabinet Decisions 96 and 102" on "bringing the sale of food under unitary state-control," issued in November 1957.

North Koreans draw their food rations once every 15 days. Speaking of the rationing procedure, one receives his or her ration at the village or Tong food distribution center in the area of his residence by presenting his ration card issued by his office. It is a known fact that the amount of the ration and the ratio between rice and cereals differ according to age, occupation, and place of residence. The amount also differs between party members and non-party members.

The standard amount of the ration is: 300 grams [g] for children of four years and under; 500 g for the age group from five to 15 years; 700 g for ordinary workers, 800 g for heavy workers, 800 g for military personnel; and 400 g for patients and the old and the weak. The ratio between rice and cereals is: 100 percent rice for all Central Committee members of the party and all party cadres; 8:2 for ordinary party members; and 6:4 for Pyongyang residents. The ratio for general urban and rural residents was 2:8, but reportedly it has been changed to 1:9.

In an effort to tide over the food shortage, North Korea beginning in 1974 deducted from the monthly ration a four-day portion in the name of a "food stockpile for wartime," and beginning in 1983, an additional 10 percent from the remainder of the monthly ration left after the four-day portion was deducted. For ordinary workers, their standard ration is 700 g a day, or 21,000 g a month. But when 2,800 g, or the four-day portion for food stockpile for wartime, is deducted, the remainder is 18,000 g, and from this amount 10 percent is further deducted for food conservation, leaving 16,920 g available for actual rationing for each month. In other words, the actual amount of the daily ration is only 547 g. [figures as published] When food rations are made to the inhabitants after all the deductions are made for a food stockpile for wartime and for food conservation, North Korea will be able to save 830,000 tons of food a year, but on the other hand the food shortage problem of its people will aggravate with each passing day.

Normally, the daily amount of calories required by people ranging from 16 to 20 years in age is 2,900 calories. But the actual daily standard ration of 547 g for general North Korean workers who are provided with no snacks at all provides only about 2,000 calories.

This amount is so small that it can cause an acute nutritional deficiency. It is believed that inasmuch as people in the age group ranging from 10 to 20 years and heavy workers require much greater amount of calories,

the actual amount of food ration made available in North Korea must be having serious adverse effects on their normal physical development and industrial activities.

North Korea makes a full mobilization of students as well as workers of various factories, enterprises, and cooperative farms to collect wild vegetables and to plant pumpkin seeds in spring and to pick wild fruits such as acorns, fruits of the *Actinidia arguta* (tallae), and wild grapes in fall. Stressing the importance of growing more pumpkins in solving feed supply problems for domestic animals, North Korea is making propaganda appeals through press media calling upon its people to plant more pumpkin plants throughout the country. According to last year's results of this campaign as released in the press, pumpkin seedlings were planted in 15,000 chongbo of land in South Pyongan Province; 110,000 seedlings planted in Pyokdong County in South Hamgyong Province; 98,800 seedlings planted in Sinpo; 200,000 seedlings planted in Yusong Cooperative Farm in Anak County, North Hwanghae Province; 25,000 seedlings planted in Wau District, Nampo City; and 49 million seedlings in North Pyongan Province.

The Korean Central Broadcasting Station, in particular, made a propaganda claim that 37,000 tons of pumpkins were harvested last year from the 4.47 million pumpkin seedlings planted in South Pyongan Province.

According to North Korean's propaganda, pumpkin is supposed to be used as feed for domestic animals. But recent visitors returning from North Korea say that North Korea, unable to resolve the current acute food shortage, is substituting pumpkin for part of grain in the food rationing.

In each autumn North Korea makes an all-out effort to collect wild fruits by mobilizing factory workers and cooperative farmers. The North Korean newspaper NODONG SINMUN reported that last year in Yangdok County, South Pyongyang Province, a good result was produced in picking acorns, wild grapes, fruits of the *Maximowiczia chinensis* (omija), and other wild fruits. In Toksong County, South Hamgyong Province, the paper said, they were picking more than 1,000 tons of acorns a day on mountain ridges and in valleys rich with a bumper crop of acorns.

Recently, various substitutes for rice have been developed in North Korea, and they are now being distributed to its citizens.

"Corn rice," "mixed noodles," and "speed-battle flour" are among them. North Korea has been developing these and other substitute foods in order to cope with the food shortage, particularly, the rice shortage.

"Corn rice" is made by mixing corn flour with wheat flour or other ground cereals. The dough of this mixture is steamed, and then the steamed dough is pressed into rice-like grains by using a molding machine. Corn rice is mainly distributed to urban residents.

"Mixed noodles," noodles made of a mixture of ground bark, corn flour, and potato flour, are distributed mainly to residents in mountainous areas.

"Speed-battle flour" is made by soaking corn in water before grinding, and then compressing the corn flour in high heat to make it crumbly just like a ground cereal. This corn cereal is mixed in water before drinking.

It is called "speed-battle flour" because one can eat it with water anywhere. It is distributed mainly to workers of factories and enterprises who are kept busy with work.

In addition, a big campaign is under way to encourage people to eat "cereals cooked with vegetables" and "rice cooked with kimchi."

"Cereals cooked with vegetables," which began to appear following the 1989 Pyongyang festival, are prepared by cooking cereals, such as corn and wheat, with bean curd dregs, sliced radish, Chinese cabbage, and lettuce. North Korean authorities say in broadcasts: "Vegetables are rich in vitamins...Just as oxen get their energy from the vegetables they eat, let us eat cereals cooked with vegetables so that we can work as hard as oxen."

"Rice cooked with Kimchi" is made by roasting sliced kimchi in a pot with a dash of oil and seasoning before cooking it with rice. The journal CHOLLIMA reported in its January 1991 issue that rice cooked with kimchi has a benefit of saving side dishes.

In addition, media introduced ways of effectively utilizing wild vegetables. As part of efforts to resolve the shortage of subsidiary foods, North Korea introduced how to cook and eat such wild vegetables as bracken, dandelion, leaves of the *Ulmus Davidian* var. *japonica* (nurup namul), wild rocamboles (tallae), and shoots of the *Turritis* (changdae namul), and where places abundant with these wild plants could be found.

A "rally in celebration of the full payment of the agricultural tax in kind" was held in Chaeryong County on 10 December 1946. In that year farmer Kim Che-won, a resident of Taehung-ri (now renamed as Chewon-ri), Chaeryong County, South Hwanghae Province, had a good harvest from the 3,390 pyong of farmland he had received in land distribution. He contributed 30 bags of rice harvested from this land to the state, and farmers in that county as a whole contributed a total of 830 bags of rice. With this as a momentum, the authorities appealed to the North Korean farmers to actively participate in the "patriotic rice contribution campaign" to the state. As a result, by the end of December 1946, a total of 18,700 farmers had contributed tens of thousands of bags of rice through this campaign. That was the genesis of the "patriotic rice contribution campaign."

At that time Kim Il-song sent a letter of gratitude to farmer Kim che-won in appreciation of the patriotism he had displayed by becoming the individual who contributed the largest amount of rice. To glorify his patriotism

forever, the name of his village was changed from Taehung-ri to "Chewon-ri" after his name. Recently, the name of Haeju College of Agriculture has been changed to Kim Che-won College in his honor.

Currently, the North Korean authorities are waging a "food contribution campaign" among the entire North Korean populace to make them contribute foodstuffs. This campaign is under way simultaneously with the familiar "patriotic rice contribution campaign."

The current "food-contribution campaign" is aimed at making people save their rations as much as possible so that they can contribute voluntarily what they have saved. However, the campaign is a heavy burden on the people because the authorities concerned are stressing: "The amount of foodstuffs contributed on a voluntary basis will serve as a criterion for evaluating the party spirit of party members and a barometer for testing the qualifications of non-party members for becoming party members." In addition, North Korea issues "commodity allocation tickets" to those who have contributed in excess of a certain amount of foodstuffs as a way of encouraging people to contribute more. These tickets can be used to buy specific daily necessities at state-run stores.

"Commodity allocation tickets" can buy the following items depending on the amount of foodstuffs contributed: a set of aluminum tableware for the ticket issued to a contributor of 10 kg; cloth for the ticket issued to a contributor of 20 kg; a sewing machine for the ticket issued to a contributor of 40 kg; and a TV set for the ticket issued to a contributor of 50 kg. However, because of the shortage of TV sets, in reality it is said very difficult to get a TV set with the ticket.

Recently, North Korean authorities made the following propaganda on some of the results of the "patriotic rice contribution" campaign: "Marking the significant new year, Chong Ki-son, an elderly person living in Tokjong-ri, Changpung County, Kaesong City, contributed the 80 bags of food grain to the state on 16 January 1992, thus warming the hearts of many people. He had spent five years to produce that much food grain on the side since he had his 60th birthday."

In another propaganda, on 22 February 1992 Chong Yong-su, a senior resident of Orang County, North Hamgyong Province, contributed the 4 tons of unpolished rice which it took him three years to produce from the land he had reclaimed with shovels and pickles. On 5 February 1993 the employees of the commercial management office where Choe Yong-chol works contributed 216 bags of rice in response to the patriotic rice contribution campaign. I wonder whether we can trust North Korea's claim on the outcome of the patriotic rice contribution drive at its face value. We are curious about how these results could have been attainable under the communist system.

As of 1991, North Korea's arable land consisted of 645,000 chongbo of rice paddy fields and 1,496,000

chongbo of dry fields. North Korea produced 5.6 million tons of grain in 1984, an all-time high. North Korea's average annual food grain output was 5.1 million tons. But grain production, which had steadily increased until 1984, suddenly began to fall in 1985 as a result of successive poor crops. It began to recover in 1988 but dropped again sharply beginning in 1990.

The grain output dropped to 5.03 million tons in 1985, 4.83 million tons in 1986, and 4.95 million tons in 1988 before rising to 5.21 million tons in 1988 and 5.48 million tons in 1989, and dropped again to 4.81 millions in 1990, 4.43 million tons in 1991, and 4.27 million tons in 1992, or 19 percent of the average yearly output. The 1992 grain output consisted of 1.64 million tons of rice, 2.12 million tons of corn, and 670,000 tons of other cereal grains. North Korea's grain output continues on a descending curb.

Last year water weevils [mulbagumi] spread throughout North Korea, but were left unchecked because of the shortage of agricultural chemicals. Moreover, the grain output further dropped last year due to the drought in August and the fertilizer shortage.

Despite the food shortage North Korea used to export quality rice to earn foreign exchanges while importing barley, wheat, corn, and other cereal grains which were relatively cheap in world markets. But as the food shortage grew more critical, it completely suspended rice exports beginning in 1990.

On the other hand, North Korea's grain imports, mainly food grain imports, have continued to increase until it rose to 1.3 million tons in 1991. But its grain imports dropped to the 830,000-ton level in 1992 due to the foreign exchange shortage as the exporting countries demanded the payment of hard money for the grain imports. In this way North Korea's grain imports and exports are decreasing.

In 1993 North Korea needs a total of 6.5 million tons of grain—4.76 million tons for rationing calculated on the basis of the regular amount of rationing for its inhabitants, 660,000 tons for processing, and 480,000 tons for animal feed, and 170,000 tons for seeds. However, the amount of grain North Korea can supply this year will be only 5.1 million tons, including 4.27 million tons produced in 1992 and 830,000 tons of cereal grain imported from overseas. This leaves a shortage of 1.4 million tons.

This shortage needs to be filled with imports. However, it will be difficult to import a sufficient amount of grain due to the foreign exchange shortage. As a consequence, people in North Korea will be unable to extricate themselves from the food shortage.

As you see, the food shortage in North Korea may be attributed to the absolute shortage of arable land resulting from the given topographical and other natural conditions.

For this reason, the North Korean authorities adopted a "four-point nature-transformation program" at the Fourth Session of the Sixth WPK [Workers Party of Korea] Central Committee on 4 October 1981, calling for the reclamation of "300,000 chongbo of tideland" and "searches for 200,000 chongbo of new arable land" as a goal.

Since then North Korea has concentrated on tideland reclamation projects on the east and west coasts. The results have been meager because work was done mainly by human labor due to a shortage of modern construction equipment. As of now, the acreage on which reclamation work has been completed and which can be used for farming totals only 60,000 chongbo.

The "searches for new land," a drive to reclaim idle land, have also produced a meager result. The total acreage reclaimed under this drive is only slightly over 40,000 chongbo. The acreage of arable land has been shrinking due to the Pyongyang-Kaesong and Pyongyang-Huichon highway construction projects; the dam construction projects for hydro power generation in Yongwon, Namgang, and other localities; and various industrial construction projects. The acreage of arable land in 1991 decreased 7.8 percent from the preceding year to 1,974,000 chongbo (614,000 chongbo of rice paddy fields and 1.36 million chongbo of dry fields).

Alongside of tideland reclamation and reclamation through searches for idle land, both designed to increase the arable land acreage, North Korea haphazardly created terraced fields on slopes in mountainous areas, causing the devastation of forests. As a result, landslides in the rainy season not only buried arable land but also raised the river and reservoir levels, causing a severe flood damage.

Another reason for the declining grain production in North Korea is the shortage of farm materials and supplies and the technological backwardness. [In addition to their primary lines of production,] enterprises and factories at all levels produce farm materials and supplies to supply them to cooperative farms in the form of assistance under orders of the authorities concerned. In a 27 February, 1993, broadcast through the Korean Central Broadcasting Station, a North Korean authority said: "In the past 50 days members and workers in Kangye City, Chagang Province, have sent tens of thousands of tons of compost and 125,500 pieces of small farm tools and machines of 90 or more different kinds to nearby cooperative farms." Citing another case, he said: "Enterprises at all levels in Sariwon City recently sent 47,660 pieces of small farm tools and machines of all kinds to nearby cooperative farms." Only when farms solve their farm machine and parts problems by themselves and make farming arrangements at the right time, is it possible to increase productivity.

But North Korean farms receive support from outside enterprises and factories in the supply of farm materials.

This begets a rampant easy-going attitude among farmers—the attitude that it is fine when they get support from nearby factories in a timely fashion, and they do not care much when outside support arrives late. This kind of attitude is bound to cause a reduced efficiency in farming.

North Korea has invested a large portion of its budget on the unproductive campaigns to idolize Kim Il-song and his son and on the priority development of heavy industry while neglecting investments in agricultural production. As a result, various necessary farm materials and supplies are in short supply. North Korea has a total yearly fertilizer production capacity of 3.5 million tons—2 million tons of nitrogenous fertilizer and 1.5 million tons of phosphatic fertilizer—at 10 or major fertilizer factories, including Hungnam Fertilizer Complex and Hungnam Youth Chemical Complex. But actual production is sluggish due to a short supply of dressed phosphate ores, iron sulfide, and other raw materials, and the obsolescence of equipment in most of the fertilizer plants; and the sluggish production upsets the fertilizer supply plan.

The 8 February Vinylon Complex in Hamhung, Hwasong Chemical Factory, and other plants have a combined annual capacity of more than 8,000 tons of agricultural chemicals of over 20 kinds, including herbicides (such as P.E.P.), insecticides (N.H.E. and D.D.T.), and germicides (formalin and hell bomb [phonetic]). But the output is not sufficient to meet the demand due to their low factory operating rates.

Various farm equipment being supplied to cooperative farms by the North Korean authorities are not being effectively utilized when they are needed, due to the failure to supply them on time and the shortage of necessary parts.

In addition, North Korean farmers have lost their desire to work hard because they are not entitled to the fruits of their labor under the collective farming system under which all means of production are owned either by the state or by cooperative farms. It is quite natural that they are not only indifferent to advanced farming methods but also less inclined to work hard.

North Korea needs to import food from abroad to meet the food shortage. But it is impossible to import all the amount it needs because of the foreign exchange shortage (its foreign debts stand at \$9.28 million as of the end of 1991). What is worse, food is not supplied on time due to the poor transportation facilities.

Even forgetting the fact that the Eastern bloc and the Soviet Union collapsed because of economic difficulties, North Korea is still tightening up the control of its inhabitants in an effort to maintain its system.

Even China, not to mention the former Soviet Union and the former Eastern bloc countries, is striving to achieve economic reconstruction by introducing the

principles of market economy. Under these circumstances, if North Korea alone persists in its "own style of socialism," it will be unable to resolve the food shortage problem of its people.

The North Korean authorities pointed out in the NODONG SINMUN 10 January 1993 issue as follows: "If we should neglect the ideological indoctrination of the people while only emphasizing economic construction, we would be unable to push economic construction properly and might end up losing our socialist gains." This is to say that the ideological indoctrination of the people necessary to maintain the regime is more urgent than solving their food shortage.

That is why this year, as in the past, the North Korean authorities are emphasizing the need for the people to cut down on food consumption and increase farm production, whiling continuing to push the "patriotic rice contribution campaign," the "food contribution campaign," and the "campaign for the development and supply of substitute food," in an attempt to resolve the food shortage by means of "self-reliance," their pet theme.

The North Korean authorities need to work out basic measures to resolve the food shortage problem of the people. They must realize that they should stop harping on the goodness of their "own style of socialism" and their closed economic system and instead carry out daring political and economic reforms and introduce capital and technology from Western countries and South Korea so that they may speedily develop the stagnant North Korean economy and free the people from hunger as soon as possible.

North Korea has adopted a policy for opening its economy partly by designating the Sonbong-Najin area as a "free economic zone." This policy, nothing more than a temporizing measure, would hardly produce any substantive result. Only through a bold and comprehensive reform would it be possible to end the food shortage problem of the people.

The food shortage in North Korea seems to be at its worst. But presumably North Korea has somewhat secured a bare minimum food supply necessary for its inhabitants from the farm output at home and the food imported from overseas. Therefore I like to add that there is little likelihood for the time being that the regime will collapse because of the food shortage problem.

KCNA Reviews 22 Jul Pyongyang Press

SK2207054593 Pyongyang KCNA in English 0449
GMT 22 Jul 93

[Press review]

[Text] Pyongyang, July 22 (KCNA)—Papers here today carry a photo-accompanied report that President Kim Il-song of the Democratic People's Republic of Korea met His Royal Highness Samdech Norodom Sihanouk,

head of state, chairman of the Supreme National Council and supreme commander of the Armed Forces of Cambodia, news that he arranged a luncheon in honor of the Samdech and he received a gift from the Samdech and received credentials from the newly-appointed Cambodian ambassador to Korea.

Papers report order No. 0040 of Comrade Kim Chong-il, supreme commander of the Korean People's Army (KPA), "On Upgrading Military Ranks of KPA Officers and Generals Who Took Part in the Fatherland Liberation War".

Papers give accounts of a ceremony held to award the military ranks of generals to veterans of the People's Army who rendered meritorious services in the fatherland liberation war on the occasion of the 40th anniversary of the victory of the Korean people in the war.

Papers inform the readers that the dear leader Comrade Kim Chong-il sent thanks to factories and enterprises which had set examples in fulfilling the production and financial plans over the past 20 years.

NODONG SINMUN carries solidarity messages to Comrade Kim Chong-il from the general secretary and the international secretary of the People's Electoral Movement of Venezuela and the general secretary of the "New Alternative" of Venezuela in the month of international solidarity with the Korean people.

An article of the paper says that Comrade Kim Chong-il inspired the functionaries with great national pride to be conscious that they owed the shining motherland to the great leader, and guided them to attend the great leader with intense loyalty.

The paper carries a message of greetings of the Central Committee of the Workers' Party of Korea to the fourth meeting of the left political parties in Latin America and Caribbean region and a message of greetings of the Central Committee of the Frelimo Party (the Mozambique Liberation front Party) to the Central Committee of the Workers' Party of Korea on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

An article of NODONG SINMUN stresses that July 27, 1953, the day when the Korean people won victory in the fatherland liberation war, is the second historical day of liberation in defending national dignity and sovereignty.

Papers announce that a Mozambican Government delegation led by the prime minister will visit Korea.

Papers highlight reports that working people across the country are accelerating production to greet the 40th anniversary of victory in the fatherland liberation war with achievements.

According to the press, a national seminar on the experience of wartime producers was held and a national art

photo show opened on the occasion of the 40th anniversary of the victory in the fatherland liberation war and delegates to the National Conference [of] War Veterans arrived in Pyongyang.

Papers introduce war veterans who performed immortal feats for the country and the people and are now working and living in the fighting spirit and mettle they displayed in days of war.

NODONG SINMUN prints information No. 633 published by the Secretariat of the Committee for the Peaceful Reunification of the Fatherland denouncing the South Korean ruling quarters for openly spreading the "doctrine of unification of systems" fostering North-South confrontation.

An article of the paper notes that the 10-point programme of the great unity of the whole nation is a patriotic one indicating a way out for the nation.

Papers give accounts of functions that have taken place in different countries to celebrate the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

NODONG SINMUN carries a joint statement signed by 15 members of the Parliament of Portugal including its deputy speaker expressing solidarity with the Korean people in the just struggle for the independent and peaceful reunification of the country.

Papers in their commentaries denounce the "emergency arbitration power" invoked by the South Korean authorities against the trade union of the Hyundai Motor Co. who turned out in the struggle for the right of labour and democracy.

Papers inform the readers that the spokesman of the Foreign Ministry of China hailed the results of the DPRK-USA talks in Geneva and organizations in Guyana supported the DPRK-USA joint statement.

World news of papers includes reports that Fidel Castro declared the feats of Cuba shine brightly, the Tanzanian president stressed the need of developing the electronics industry, the Polish president expressed concern over the situation in the country and the president of the African National Congress of South Africa called on all the people of South Africa to actively participate in the work for the country.

A commentary of NODONG SINMUN says that the Japanese authorities seek to realize Japan's nuclear armament at any cost in raising most hysteric outcries over the DPRK's "nuclear development", a fiction.

An article of MINJU CHOSON says that the defeat suffered by the Liberal Democratic Party of Japan in the election to the House of Representatives is an inevitable result of the anti-popular and corrupt one-party policy. NODONG SINMUN deals with the serious economic crisis of the European Community.

Reviews 23 Jul Pyongyang Press

*SK2307061793 Pyongyang KCNA in English 0500
GMT 23 Jul 93*

[Press review]

[Text] Pyongyang, July 23 (KCNA)—Papers here today print a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Muhammed Hosni Mubarak on the 41st anniversary of the July 23 revolution, national day of the Egyptian people.

They report that the great leader President Kim Il-song received Yi Chae-tok, Kim Son and So Son-ok, anti-Japanese revolutionary fighters, and their families residing in China, and photographs he posed for with them separately.

The military attaches corps in Pyongyang presented floral baskets and congratulatory letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il on the 40th anniversary of the Korean people's victory in the Fatherland Liberation War, reports the press.

Dailies say that Comrade Kim Chong-il received gifts from H.R.H. Samdech Norodom Sihanouk and anti-Japanese revolutionary fighters residing in China.

President Kim Il-song received messages from the presidents of Yugoslavia and Mongolia and the prime minister of Belize in reply to his messages of greetings, according to NODONG SINMUN.

The daily reports that a letter came to President Kim Il-song from Ghana on the occasion of the month of solidarity with the Korean people.

It gives an account of a seminar on the greatness of Comrade Kim Chong-il held in Zimbabwe.

Under the headline "Kim Chong-il, He Is Genius of Military Affairs", it says foreign newspapers carried articles praising him.

The press carries editorials hailing the National Conference of War Veterans opening here today.

Seen in papers is a report that a delegation of the state of Palestine led by Comrade Yasir 'Arafat, president of the state of Palestine, chairman of the PLO Executive Committee and commander-in-chief of the Palestinian Revolutionary Armed Forces, will pay an official visit to Korea upon the invitation of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea.

The press prints a profile of Vice-President Levy Patrick Mwanawasa who will pay a visit to Korea at the head of a Zambian Government delegation to participate in celebrations of the 40th anniversary of the victory in the war.

Given in the press are accounts of a meeting held to award to the participants in the National Conference of War Veterans the commemoration order on the 40th anniversary of the victory in the Fatherland Liberation War, and of visits to the lodgings of the delegates to the conference paid by secretaries of the WPK Central Committee.

Under the headline "It Is Our Consistent Stand To Solve Problems Through Negotiation" papers carry the answer of a DPRK Foreign Ministry spokesman to a question put by KCNA as regards the press statement on the results of the second-stage DPRK-U.S. talks held in Geneva.

Kim Pyong-sik was elected chairman of the Central Committee of the Korean Social Democratic Party at a plenary meeting of its Central Committee, says the press.

Articles of the press tell about war veterans who are working in the same fighting spirit and mettle as displayed in days of the war.

NODONG SINMUN informs the readers of a film week opened to celebrate the 40th anniversary of the Korean people's victory in war.

On this anniversary, functions were held in different countries, says the press.

Under the title "Korean People Is My Revolutionary Teacher Forever" NODONG SINMUN gives the gist of an interview by the KCNA correspondent with Dr. Candelaria Rodriguez, a Cuban jurist who had visited Korea during the Fatherland Liberation War, as a member of an international women's fact-finding team to probe the truth behind the criminal atrocities of the U.S. imperialists.

According to the paper, the Political Bureau of the C.C., the Communist Party of Dominica and the chairman of the Italian Committee for the Study of the Chuche Idea published statements denouncing the provocative utterances of the U.S. President against the DPRK.

World news of the press includes reports that Jiang Zemin inspected Qinghai Province and a book on Mao Zedong was brought out in China, the Malaysian prime minister rejected the United States' call for an APEC summit and that 14 Asian organizations representing war victims lashed out at Japan's attempt to become a permanent member of the UN Security Council.

MINJU CHOSON comes out with a commentary branding the Japanese authorities' talk about somebody's "nuclear threat" as a shield for realizing their nuclear strategy.

Papers observe the 41st anniversary of the revolution in Egypt.

"Collapse of One-Party Ruling System and Political Situation of Japan" is the title of a NODONG SINMUN article.

South Korea

Trade Dialogue Channel Set Up With U.S.

SK2007021893 Seoul *THE KOREA TIMES* in English
20 Jul 93 p 8

[By staff reporter Sa Tong-sok]

[Text] Korea and the United States will launch a bilateral trade dialogue channel called the "Dialogue for Economic Cooperation" (DEC) with its first working meeting in Washington in late August, according to the Economic Planning Board [EPB] yesterday.

The establishment of the DEC was agreed upon when U.S. President Bill Clinton visited Seoul July 10 with its aim directed at enhancing bilateral economic cooperation.

The DEC succeeds the Presidents' Economic Initiative (PEI), another economic and trade dialogue between Seoul and Washington, which was terminated in June after nearly a year of implementation.

"The DEC will serve as a forum to discuss trade issues between our two countries," an EPB official said, adding that it will play a pivotal role in charting desirable paths of bilateral economic ties in a forward-looking manner.

The official said the two countries will try to keep their already-closer ties constant by institutionalizing a channel of dialogue while seeking to draw a picture for economic cooperation in the run-up to the 21st century.

While the PEI largely focused on addressing trade and investment barriers that American businessmen have faced doing business in Korea, the DEC will shed new light on existing cooperation in the field of technologies, the EPB says.

As a matter of fact, Korea and the U.S. have been able to alleviate trade frictions significantly on a wide range of issues through the stepped-up operation of the PEI, which had divided into four subcommittee meetings on investment, customs clearance, standards and technology cooperation.

"We believe that the PEI achieved good results," officials said.

Above all things, improvements in the foreign investment environment in Korea could be cited as one of the top results made through the PEI. Responding to U.S. complaints about Korea's unfavorable business conditions, the Korean government has dismantled many barriers and restrictions imposed on business activities while keeping a renewed focus on intellectual property rights piracy, which had long been a major concern of the U.S. administration.

In addition, discussions and implementation concerning the setup of refined and internationalized rules on customs clearance and standards have been said to have contributed to modernizing Korea's relevant mechanisms.

But the post-PEI period calls for fresh approaches to economic relations between Seoul and Washington in such a direction toward industrial cooperation, analysts say. The new DEC channel, reflecting the unprecedented new direction in bilateral ties, envisions focusing more on enhancing economic cooperation between the two countries.

As Korea and the U.S. have focused on bilateral issues sometimes up to the point of minute things for the past year, they will look for an industrial alliance through the DEC, analysts say.

"With the major improvements made over the past year, the DEC will function as a window for Korea to obtain sophisticated American technologies," an EPB official said.

The DEC, which comprises deregulation and economic cooperation, will be represented by assistant minister-level officials of the two countries belonging to the Foreign Ministry and State Department respectively and will consist of economic officials.

Article Views U.S. Interests in DPRK Talks

SK2207075493 Seoul *CHOSON ILBO* in Korean 21 Jul 93 p 2

[Article by North Korean Department reporter An Hui-chang: "The Negotiating Attitude of the U.S."]

[Text] During the second-stage of talks in Geneva, the United States and North Korea reached an agreement on some points, and agreed to hold a third round of talks within two months. Looking back on the process of the Geneva talks and the New York talks of early June, one point strikes our curiosity, that is, what does the United States ultimately have in mind in negotiating with North Korea?

General opinion is that the United States has so far tended to acquiesce on a considerable number of the North's demands during the talks.

Although the United States has put forth what it considers as important strategy at the talks, it accepted the North's demands for ineffectuating the North's withdrawal from the Nuclear Nonproliferation Treaty [NPT] and for the halt to interference in its internal affairs.

While setting preconditions such as the implementation of the declaration of denuclearization on the Korean peninsula, the United States revealed that it was prepared to help North Korea replace its graphite moderated reactors with light-water moderated reactors.

The U.S. negotiation attitude might be one based on the strategy of delicate tactic and deep thought: Granting North Korea some gift can give the United States a range of policy choices to achieve the ultimate goal of dissipating nuclear suspicion. While it would be good if North Korea were to clear nuclear suspicion in return for an appropriate gift, its refusal can be used as a pretext to impose sanctions against North Korea.

However, ensuing developments lead us to suspect that this is not the case. In other words, the United States may have concluded that it is impossible to levy sanctions against North Korea in any way. Such signs may be said to have been discernible at the first stage of talks which were held in New York.

In the New York talks, North Korea stuck to a tough stance that the withdrawal from the NPT can not be an issue for discussion. However, the United States sustained the talks without using tough gesture, such as declaring the rupture of talks, and barely managed to have North Korea remain in the NPT system.

Even in the Geneva talks, the issue of nuclear inspections of North Korea by the International Atomic Energy Agency [IAEA] resulted in the vague statement that North Korea is prepared to begin consultations with the IAEA as soon as possible. Thus North Korea succeeded in buying two more months of time and securing a commitment for the third round of talks. Of course there is the possibility that the United States agreed with North Korea on some "understandings" which the United States cannot disclose. But the United States may have felt that they had no choice but to do so because they can't levy sanctions against North Korea.

As the negotiations between the United States and North Korea are prolonged, there is increasing concern that the United States will have to dance to the tune of North Korea after all. This is especially so because of the possibility that the United States and North Korea might reach some kind of implicit agreement.

The government stresses that there is no point in worrying about this since a complete ROK-U.S. mutual cooperation system has been established. Nonetheless, the government is urged to take the above-mentioned aspects into consideration

Han Sung-chu Talks to Chief U.S. Delegate

SK2207064993 Seoul YONHAP in English 0637 GMT 22 Jul 93

[Text] Seoul, July 22 (YONHAP)—Robert Gallucci, chief U.S. delegate to the nuclear talks with North Korea, said Thursday he believed he had "gotten a handle on" the problem but anticipated a big step ahead.

Gallucci, talking with South Korean Foreign Minister Han Sung-chu by telephone, rated the latest Pyongyang-Washington talks "a small but significant step forward."

"We might have gotten a handle on the problem... But we have a big step ahead of us," Gallucci, assistant secretary of state for political and military affairs, was quoted as saying.

He said he appreciated the South Korean Government's support and trust throughout the negotiation process and hoped that Seoul and Washington continued to work closely together.

DPRK Soldiers Said Fleeing Across PRC Border

SK2207140693 Seoul MBC-1 Television Network in Korean 1220 GMT 22 Jul 93

[Text] It has been learned that scores of North Korean soldiers recently escaped in groups to Yonbyon and other places in China being unable to endure hard training and starvation.

Correspondent Hong Ki-yong reports more about this from Beijing.

[Begin Hong Ki-yong recording] Diplomatic sources in China well informed of North Korean domestic affairs said that from time to time from long ago in the past, one or two North Korean soldiers have escaped to China, but about 60 soldiers recently deserted from their units and fled to Yonbyon and nearby places in China.

These sources said that the North Korean soldiers collectively deserted from their unit near Wonsan in mid-June and fled to Yonbyon located on the border area with China, and dispersed there. However, the sources did not elaborate the detailed route they took and infiltrated.

Diplomatic sources in Beijing noted that such a report has also been spread recently as a rumor among the Korean community in Yonbyon and that the North Korean soldiers deserted their unit in groups because they were unable to endure hard training and starvation caused by the aggravated economic condition.

The Chinese source well informed of the situation in Yonbyon said it was reported that North Korean soldiers have fled to China in small groups by crossing at Mt. Paektu or by swimming the Tumen River in the past, but a collective desertion of 60 soldiers is very rare. The source added that some of them might be carrying weapons and thus the Chinese security authorities have intensified their search. [end recording]

DP Seeks U.S. Information on 1973 Abduction

SK2307093193 Seoul YONHAP in English 0833 GMT 23 Jul 93

[Text] Seoul, July 23 (YONHAP)—The opposition Democratic Party [DP] has charted a general course of action for its investigation into the whisking of its former chairman, Kim Tae-chung, from Tokyo to Seoul in 1973,

allegedly by the Korean Central Intelligence Agency (KCIA), predecessor of the Agency for National Security Planning.

The plan of action was announced at a session of a party fact-finding committee on the abduction, formed along with similar ad hoc committees on the Dec. 12, 1979, coup d'etat and the May 18, 1980, suppression of the Kwangju democratization movement in order to bring to light political intrigues of the military governments led by Pak Chong-hui and Chon Tu-hwan.

In addition, the party is considering having the National Assembly invoke its power to inspect the administration regarding political terrorism committed by the military regimes, including terrorist acts against then-opposition leaders Kim Yong-sam and Yang Sun-chik in 1985 and 1986 that the prosecution is currently investigating.

Rep. Kim Yong-pae, chairman of the committee, said that the investigation was not intended to punish those involved but to reveal the truth.

With the passage of 20 years since the abduction, the statute of limitations has run out for whoever took Kim from Tokyo to Seoul.

Kim himself has said he does not want any civil or criminal punishment of his abductors, according to Rep. Kim.

The committee plans to focus on seven items, how his abductors handled Kim in the five days of whisking him from a Tokyo hotel to his home in Seoul, whether they intended to kill him, whether president Pak Chong-hui ordered the kidnapping, how Seoul and Tokyo diplomatically handled the case, what role the United States played in it, how the Japanese police investigated it and how the Korean police handled it.

It was then widely thought that the KCIA was the villain, and this has since been taken for granted, so the investigation will focus chiefly on the late president Pak's role and the diplomatic handling of the case by the Korean, Japanese and U.S. Governments, observers say.

Also, the committee wants the government to officially admit the KCIA's involvement. It is not sure whether the government will comply with this request, or whether Tokyo and Washington will positively respond to the request for cooperation in the investigation.

Rep. Son Se-il of the committee said the investigation would boil down to why Seoul and Tokyo evasively dealt with the kidnapping, one of the important diplomatic issues between the two governments at the time, the Japanese Government's responsibility for it and how the Japanese police investigated it.

At the time, the Japanese Diet (parliament) took issue with Kim's abduction, accusing the KCIA of infringing upon Japanese sovereignty, but the two governments hurriedly came to a political settlement of the case. Behind this hurried settlement must have been an

apology by the Korean Government, and the investigation must dig out this apology, sonn said.

Tokyo must account for its failure to protect Kim Tae-chung, whose stay in Japan it had approved, otherwise Kim's relationship with Japan would never be restored, he added.

The committee is moving to obtain Japanese police investigation records of the case, which were then made public fragmentarily, such as the one that the fingerprint of a KCIA agent in Japan was found.

For this, the committee attaches importance to investigations in Japan and the United States.

The U.S. Government is known to have played a vital role in saving Kim from being killed by lodging a strong protest against the abduction. So the committee wants to meet the U.S. Government officials, especially U.S. intelligence officials, who know about the case.

In Korea, it wants to meet Yi Hu-rak, then KCIA director, and Rep. Kim Chong-pil, who went to Japan as prime minister for a political settlement of the case.

There is a slim possibility that both Tokyo and Washington, as well as those in Korea targeted for investigation, will cooperate in the committee's investigative activity. Unless those who were directly involved at the time cooperate, the committee's activity will amount to collecting known facts and published records only.

BAI Requests Transfer of Yulgok Project Data *SK2207060393 Seoul KYONGHYANG SINMUN in Korean 22 Jul 93 p 2*

[Text] The Board of Audit and Inspection [BAI] has asked the U.S. company of Lockheed Fort Worth—a F-16 fighter-bomber manufacturing company (previously General Dynamics' Fort Worth division)—to exchange various auditing data relating to the Yulgok Project. Lockheed Fort Worth has responded in a positive way in providing the data. Therefore, the data is significant.

On 21 July, through Communications Korea which is in charge of Lockheed's public relations in Korea, Lockheed said that "it has not officially been asked by the U.S. Government to provide data relating to the Korean Fighter Project." It revealed that "if there is a reasonable demand from the U.S. Government, it will sincerely cooperate in providing the data."

After General Dynamics' Fort Worth division was taken over by Lockheed on 1 March, its name was changed to the Lockheed Fort Worth Company.

Seoul 'Tacitly' Allows Taiwanese Flag Display

*SK2007033893 Seoul YONHAP in English 0205 GMT
20 Jul 93*

[Text] Seoul, July 20 (YONHAP)—The South Korean Government has decided to tacitly allow pro-Taiwan Chinese schools here to display the Taiwanese flag inside their buildings, Foreign Minister Han Sung-chu reportedly told members of the National Assembly Foreign Affairs and Unification Committee Monday.

Committee Chairman Chong Chae-mun said after a bull session with the foreign minister that the decision, however, did not seem to mean that the government was to officially approve the in-door display of the Taiwanese flag. "But as far as I know, the decision applies only to such special occasions as school anniversaries or national holidays," he said.

The "non-diplomatic assets" held by Taiwanese nationals and Chinese residents in Korea are not expected to be forcibly handed to China but would be relegated to negotiations between Taipei and Beijing, Chong said.

Chong secretly visited Taiwan as a presidential emissary in February and told Taipei that the new government wanted to improve ties, according to an informed source.

PRC To Correct 'Inaccurate Information'

*SK2207104393 Seoul TONG-A ILBO in Korean 22 Aug
93 p 2*

[By reporter Kim Chung-kun from Beijing]

[Text] It was learned on 21 July that the Chinese Government decided to correct inaccurate information in its history textbooks concerning ROK-PRC relations, including the 25 June Korean war. This will be done by the next semester beginning in September. These textbooks are now being used in Chinese elementary, middle, and high schools.

In his meeting with reporters on 20 July, ROK Ambassador to China Hwang Pyong-tae said: I have maintained contacts with the Chinese Government all these days asking them to correct inaccurate information on the Korean issue in the Chinese history textbooks currently being used in elementary, middle, and high schools. As a result, I have received a positive response from the Chinese Government that it will correct the contents of history textbooks if Korean history is inaccurately portrayed.

He added that the Chinese Government informed that it will erase the term hostility [choktaejogin pyohyon] from its history textbooks, and said the two countries should try not to use that term against each other at a time when their friendly and cooperative relations have been strengthened after diplomatic relations were established in August 1992.

In particular, Ambassador Hwang said that from the objective historic point of view, the Chinese Government is expected to correct the distorted contents of its history textbooks regarding the 25 June Korean war by next semester which starts in September, and that it is likely that it will also revise on a long-term basis the distorted contents regarding ancient Korean history.

Accordingly, the ROK and PRC Governments have made the Korean Educational Development Institute and the Chinese State Educational Committee examine in detail the contents of all history books now available to their elementary, middle, and high schools. Based on this, they are expected to formulate reasonable plans to revise the distorted history information and to discuss it in a meeting of experts which may be held toward the end of this year.

Communications Minister Departs for China Visit

*SK2207040593 Seoul YONHAP in English 0217 GMT
22 Jul 93*

[Text] Seoul, July 22 (YONHAP)—Communications Minister Yun Tong-yun left Thursday for a 7-day visit to China and talks with his Chinese counterpart, Wu Jichuan, on mutual cooperation in the areas of posts and telecommunications.

Yun was expected to conclude an agreement on mutual cooperation in the fields of posts and telecommunications, and exchange views on ways to expand Korean businesses' participation in modernization of Chinese telecommunications facilities, ministry officials said.

The talks, which China requested last November shortly after the two countries formed diplomatic ties, were an opportunity for promotion of bilateral exchange in communications area, according to the officials.

With the meeting, more Korean businesses are expected to take part in China's network modernization.

China has been going ahead with the modernization project with the goal of adding 10 million telephone circuits a year and installing 100 million circuits by the year 2000.

Yun also plans to attend two commemorative ceremonies on July 26—for completion of a satellite earth station in Weihai City, Shandong Province, and for establishment of a joint corporation of Samsung and China, Shandong-Samsung Telecommunications Co. Ltd.

Weihai station, which started to operate in April with 60 circuits, is connected with Korea's Kwangjang station through international telecommunications satellites. With completion of the station, only two nations remained unconnected with Seoul—North Korea and Albania.

The joint venture is capitalized at 25 million U.S. dollars and has a production capacity of 500,000 telephone

circuits a year. The corporation has already installed 4,000 circuits in Shandong Province and plans 95,000 more by November.

Significance of Mitterrand's Visit Highlighted

SK2007072593 Seoul YONHAP in English 0530 GMT 20 Jul 93

[By Kim Myong-chol]

[Text] Seoul, July 20 (YONHAP)—French President Francois Mitterrand will arrive in Seoul on Sept. 14 for a three-day visit, becoming the first French head of state to set foot on Korean soil since the two countries normalized relations in 1949.

In the past, Korea kept France at a distance out of its stress on relations with the United States and Japan, but President Kim Yong-sam's government, being South Korea's first civilian government in 32 years, has adopted "new diplomacy" to diversify foreign policy from the four powers—the United States, Japan, China and Russia—that surround the Korean peninsula to European and other countries. Kim invited Mitterrand to visit Korea in the context of this new diplomacy.

Considering the rapid movements of Europe toward integration, the Korean Government has come to focus its foreign policy on increased cooperation with the European Community. Relations with France and Germany, the two EC axis, are of great significance to its new diplomacy.

Mitterrand's visit appears to reflect a new French view that Korea plays an important role in the Asia-Pacific region, which is developing as a new economic bloc matching the EC.

Mitterrand and German Chancellor Helmut Kohl had planned to visit Korea last year, as they considered that it was looming large on the horizon of their national, especially economic, interests. But Mitterrand put off his trip until this September owing to his busy domestic and EC schedules, and Kohl until last March, when he became the first state guest of honor for President Kim since he took office in February.

Among the motives behind these two EC leaders' visits to Korea is, it appears, their countries' interest in the 13.4 billion-U.S.-dollar high-speed railway project in Korea.

Seoul will select by the end of next month either France's TGV [bullet train] or Germany's ICE as the supplier for the project: The two now are the last bidders for the deal.

Selection will be made in accordance with fair and objective standards based on technical aspects, according to the selection authorities. No political consideration will be made, they say.

Kohl has already been in Korea, but Mitterrand will arrive after the selection is made.

Given that both the French Government and business community are enthusiastically lobbying for the project, Mitterrand's visit after the contract awarding indicates that Seoul should give as much consideration to his visit as it did to Kohl's visit in the awarding of the supply contract.

During Mitterrand's stay in Korea, the government will discuss technical cooperation in high-tech areas where France leads other countries such as aerospace, energy and new materials. Three or four economic and technical ministers, in addition to Foreign Minister Alain Juppe, will accompany Mitterrand to support such discussion.

A meeting of the Korea-France top management council will be held during the visit, though it was originally slated for November.

The French Senate president will arrive in Seoul next month to visit the future pavilion of the Taejon Expo, another sign of the increased technical cooperation in high-tech areas between the two countries, according to Foreign Ministry officials in Seoul.

Presidents Kim and Mitterrand will have their first summit to confirm the amity between the two countries. Kim will thank Mitterrand for his role in the international effort to solve North Korea's nuclear issue and ask for his continuing cooperation.

Mitterrand's visit will help reduce the distance at which the two countries have kept each other owing to geographical and cultural differences and develop the bilateral relationship into a true partnership.

Seoul, UNDP Agree on Project Research Service

SK2207095693 Seoul TONG-A ILBO in Korean 22 Jul 93 p 2

[Text] The government decided to carry out a research service project for the development of the Tumen River area in cooperation with the UN Development Program [UNDP]. An agreement on this project was signed on 21 July jointly by Yu Hui-yol, director general of the Technological Cooperation Bureau of the Science and Technology Ministry; Romulo Garcia, acting representative of the UNDP office in the ROK; and Yu Chang-hui, head of the External Economic Policy Institute.

The government is going to allocate \$400,000 for the research project, which will be carried out under the auspices of the External Economic Policy Institute. The following will be intensively studied as the aims of this project: An analysis of the local development plan of each of the three countries close to the Tumen River Economic Zone; an analysis of trade barriers among Northeast Asian countries; finding out a way to promote the international division of labor in the light industry sector among the three bordering countries; a survey of the possibility of development in the Tumen River Economic Development Area and the pertinence of

establishing a power transmission and distribution network in this area; and a 30-year development plan of the Tumen River area.

Russia, China, Mongolia, and the ROK are now participating in the Tumen River basin development plan, which is sponsored by the UNDP. However, because of a shortage of understanding among the countries concerned and differences in their opinions, they had made no progress with the plan until May 1993, when the third meeting of the Planning and Management Committee was held in Pyongyang. In the Pyongyang meeting, North Korea agreed to rent out a part of its territories and facilities for the Tumen River basin development plan, thus enabling the plan to enter a new stage.

Kim Yong-sam Gives Warning on National Discipline

SK2207041493 Seoul YONHAP in English 0237 GMT 22 Jul 93

[Text] Seoul, July 22 (YONHAP)—President Kim Yong-sam has issued a stern warning against breach of national discipline in the pursuit of individual or group interests that contradict national interest.

"I'll rectify any breach of national discipline to accomplish my duty to protect the lives and property of the people in accordance with the Constitution," he told a breakfast meeting at Chongwadae [presidential offices] on Thursday for working-level officials of the economic ministries.

Among Kim's breakfast guests was assistant Economic Planning Minister Kim Pong-yon, who worked out the 100-day and five-year plans to build "a new economy."

Kim told them he had conceived his economic policy before he took office, and the main framework could be complemented for further development but not reduced or revised.

"It should not be shaken by conglomerates or anybody," he said.

He reiterated his intention to pursue changes and reforms consistently over the next five years, saying only a clean government and a clean president could win the people's confidence.

"During the past 30-odd years of military government, value orientation was reversed and people think that individual or group interests can come before national interest," Kim said.

"And because of individual or group interests, the country's export growth rate has slowed to the lowest level among the four Asian newly developed nations over the past four to five years. Should we continue slowing, we shall never cross the threshold of the family of advanced countries."

Prosecutors Probe 1979 'Coup-Like Incident'

SK2007124693 Seoul YONHAP in English 1129 GMT 20 Jul 93

[Text] Seoul, July 20 (YONHAP)—The prosecution began on Tuesday to investigate the case of the December 12 coup-like incident. The probe is based on a lawsuit filed on Monday by Former Army Chief of Staff Gen. Chong Sung-hwa, Former Capital Garrison Commander Maj. Gen. Chang Tae-wan and 20 other ex-general-grade officers against Former President Chon Tu-hwan and 33 others said to have played prominent roles in the 1979 incident.

A prosecution source said the public security department of the Seoul District Prosecutor's Office will first review written materials related to the case, followed by questioning of accusers early next month and then of the accused. The source declined to say whether the prosecution would question the two former presidents along with other accused people. The other ex-president accused is No Tae-u.

The prosecutor also plan to examine the circumstance that led to the December 12 incident by obtaining records on the public hearing held on the incident in the past by the National Assembly.

"So far, there have been seven separate suits filed on the December 12 incident. We will handle them together since they are on the same incident," the source said.

Rejection of Minister's Resignation Seen as Support

SK1907091293 Seoul YONHAP in English 0845 GMT 19 Jul 93

[Text] Seoul, July 19 (YONHAP)—President Kim Yong-sam turned down Defense Minister Kwon Yong-hae's offer to resign Monday to take the "political and moral" responsibility for his brother's suspected acceptance of a bribe from an arms dealer.

Kim called Kwon to his office at Chongwadae [presidential offices] in the afternoon and made it clear that he wanted the defense minister to remain by his side, Presidential Spokesman Yi Kyong-chae said. Kim was quoted as telling Kwon that he supported the minister, who has been reputed to have faithfully carried out an extensive military reforms.

The rejection of Kwon's resignation is understood to be a reaffirmation of Kim's confidence in his minister and the Supreme Military Commander's stern resolution to continue with the military reforms, which have been pushed forward since the birth of this administration.

In the tete-a-tete, Kim is said to have told Kwon that he initiated the operation in the military on the understanding that without reforms in the military, which has been in control for more than 40 years, reforms in other fields would be difficult and meaningless.

"I have faith in Kwon, who has faithfully backed the painfully difficult military reform drive," Kim was quoted as saying.

"Now is the critical time when establishment of security and military discipline are needed most of all," Kim said, advising Kwon to turn his misfortune into a blessing and exert more efforts to get through the present important period.

Yi said that Chongwadae had closely studied the possibility of Kwon's involvement in the irregularities connected with the Yulgok military buildup program, but it had found no fault.

"I understand that Kwon tendered his resignation to take moral responsibility over his brother's suspect financial deal with an arms dealer," Yi said. "But it is the president's thought that the matter isn't critical to the point that Minister Kwon, now propelling military reform, should be replaced," he said.

Kwon had expressed his readiness to step down to the president through Chief Presidential Secretary Pak Kwan-yong on Sunday.

Defense Minister Urges Armed Forces Reforms

SK2107082193 Seoul YONHAP in English 0756 GMT 21 Jul 93

[Text] Seoul, July 21 (YONHAP)—Defense Minister Kwon Yong-hae called on major commanders of the Armed Services to carry out reforms courageously and at their own discretion Wednesday.

Future reforms of the Armed Forces should not mimic the reforms in other sectors of society but seek new targets and correct wrong practices in the military, Kwon told a meeting of 29 high-level commanders of the Armed Forces, including the chairman of the joint chiefs of staff and the chiefs of staff of the three services.

"We must restore the honor of the military by sharing among us pain and sweat and striving to make the military born again as an institution the people hold in respect," he told them.

Kwon also presided over a higher-level policy meeting behind closed doors to review progress in the Yulgok force improvement plan based on a Board of Audit and Inspection report.

Ministry To Abolish Ceiling on Corporate Bill Rates

SK2107032493 Seoul THE KOREA HERALD in English 21 Jul 93 p 8

[Text] The Ministry of Finance will soon abolish the ceilings on rates of corporate bills and intermediary bills discounted by investment and financing companies, according to ministry sources yesterday.

In November 1991, the ministry deregulated, at least officially, the two discount rates as part of its first-phase interest rate decontrol which also freed the rates for commercial papers, overdrafts and certificates of deposits.

Implementing two successive cutdowns of regulated interest rates early this year, however, it has put "unofficial" ceilings of 11.5 percent per annum on corporate bills and 12.4 percent on intermediary bills under the pretext of seeking administrative cooperation to help stabilize overall interest rates. The discount rates of intermediary bills are usually higher than ordinary corporate bills as the investment-financing companies merely intermediate them between issuing companies and investors without taking on underwriting obligations.

With the latest surge in money market rates hitting the 13 percent level, however, the artificially-low discount rates resulted in a situation where the short-term financing institutions' raising costs exceeded their lending rates, eroding the companies' profitability and distorting the whole interest rate mechanism, the sources said.

The "reverse margin" situation is apparently detrimental to the smooth transit to the government's second-phase interest rate decontrol scheduled within this year, a senior ministry official said requesting anonymity.

The official would not elaborate on the exact timing of the second-stage deregulation but merely said it would come around late October or early November, after the peak fund demand season of Chusok (Korean Thanksgiving Day), which falls in late September this year.

The government's position to introduce the second-phase rate decontrol as soon as possible remain unchanged, he said, adding that the abolition of virtual ceilings on the two already deregulated rates could be regarded as the display of such determination.

During the next two months, the government will go all out to maintain interest rates at the lowest level possible as preparatory steps, but the second-phase decontrol itself will be implemented by the end of this year and "in disregard of the market interest rate level," the official said.

Seoul To Try To Improve Hyundai Relations

SK2207022593 Seoul YONHAP in English 0129 GMT 22 Jul 93

[Text] Seoul, July 22 (YONHAP)—The government will take measures to improve industrial relations in the Hyundai Group as soon as the current labor disputes are settled, a government official said on Thursday.

Action is necessary as the disputes have incurred great losses to the economy and put a burden on the administration, which early this week invoked its emergency powers to mediate disputes at two Hyundai firms.

One of the measures to be pursued by the government will be to end the practice of full-time union staff receiving a salary from the company instead of the union and another will be to streamline the full-time union staff, the official said.

A study of the Hyundai disputes found both labor and management problems.

"In the case of Hyundai Motor Co., the union chairman is authorized to use a maximum of 3 billion won (3.75 million U.S. dollars) a year at his own discretion and the company pays no less than 1 billion won annually in wages to full-time union staff," he said.

"Such company support for union officials should be done away with for better industrial relations," the official said.

The intervention of a third party or "impure elements" in labor disputes and the elevation of union leaders to "labor aristocrats" must be rectified for successful implementation of the five-year plan to build a "new" economy, he added.

Founder To Intervene in Operations

SK2207013593 Seoul THE KOREA TIMES in English
22 Jul 93 p 8

[Text] Chong Chu-yong, founder and honorary chairman of the Hyundai Group, will directly intervene in the management of the nation's largest conglomerate. He said Tuesday evening that he will manage Hyundai's overseas investments and help Chairman Chong Se-yong, his younger brother, manage its domestic affairs.

In a press conference at Kimpo International Airport upon his arrival from China, he strongly indicated his return to Hyundai's management by saying that "the Hyundai Group will expand its investment in all business sectors and will double its exports."

Chong, known as a bulldozer for his fearless business approach, has kept a low profile at Hyundai since his defeat in the presidential election held last December. He said that the purpose of his visit of China was to inspect the region around the Hwang Ho (Yellow River) where his group is seeking to build a multi-purpose dam.

He revealed that during his visit, he signed letters of intent with the Dalian city mayor for Hyundai to build a car plant on the outskirts of the Chinese port city. According to him, the plant, which will be built on a plot of 2 million pyong (one pyong is equivalent to 3.3 square meters), will turn out 120,000 automobiles per year.

Asked what he will do about labor-management disturbances at Hyundai, he suggested that he will not intervene in them by saying, "Chairman Chong Se-yong is handling them very well."

He welcomed a plan by the Samsung Group to enter the automobile industry. "The nation will develop when there are strong industrial rivals," he said.

Motor Union Accepts Management Offer

SK2307100593 Seoul YONHAP in English 0940 GMT
23 Jul 93

[Text] Ulsan, July 23 (YONHAP)—The Hyundai Motor Co. Union accepted the management offer in a hair-thin majority of "yes" votes on Friday.

Of the total 28,300 union members who voted, 14,175 voted "yes" to accept the company's offer on pay and other matters at issue, mere 50 more than those who rejected the management proposal.

The union's acceptance of the management offer has put an end to the dispute that had struck the country's largest automobile maker for nearly two months.

Survey: Kim Yong-sam Most Popular Politician

SK2207030593 Seoul YONHAP in English 0211 GMT
22 Jul 93

[Text] Seoul, July 22 (YONHAP)—President Kim Yong-sam, Pak Chan-chong, leader of the New Political Reform Party, and Kim Tae-chung, a former chairman of the opposition Democratic Party, are Korea's most popular politicians and give people a "feeling of happiness," according to a survey of cinema audiences Thursday.

On the other hand, former President Chon Tu-hwan, ruling Democratic Liberal Party chairman Kim Chong-pil and former President No Tae-u were the least popular politicians and "irritated" people, the survey said.

The survey was conducted by Samho Film Co., which questioned 1,749 moviegoers who attended showings of the recently released film, "The City of Joy," at its cinema in Seoul.

Among the politicians who make people happy, President Kim came first with 26.4 percent, followed by Pak Chan-chong at 21.2 percent and Kim Tae-chung at 13.7 percent.

The rest of the 10 most liked politicians were No Mu-hyon, a former Democratic Party lawmaker, Reps. Yi Pu-yong and Hong Sa-tok, both of the Democratic Party, Paek Ki-wan, an opposition politician, Reps. Yi Hae-chan and Yi Chol, both of the Democratic Party, and Environment Minister Hwang San-song.

Among the "irritating" politicians, former President Chon led the Paek with 13.7 percent, followed by Kim Chong-pil, 12.3 percent, No Tae-u, 11 percent, and Rep. Pak Chol-on of the United People's Party [United Peoples Party], 7 percent.

Chong Chu-yong, former UPP presidential candidate and honorary chairman of the Hyundai Business Group, Rep. Kim Tong-kil, leader of the UPP, Kim Tae-chung, Kim Yong-sam, Democratic Party chairman Yi Ki-taek and Rep. Chong Chu-il of the UPP rounded out the worst ten.

The poll-takers did not say how many votes Kim Yong-sam and Kim Tae-chung received from those who disliked them, but they theorized that Rep. Pak Chan-chong, a former presidential candidate, finished second in the most liked politicians because he was familiar to the public from recent appearances in a television commercial.

The popularity of former Rep. No and Reps. Yi Pu-yong, Hong Sa-tok, Yi Hae-chan and Yi Chol was attributed to "the wishes" of the people, who may want young and fresh politicians who can replace the has-beens.

Environment Minister Hwang received a chunk of votes from women, the poll said.

First Scientific Rocket Considered 'Success'

*SK2107041093 Seoul YONHAP in English 0311 GMT
21 Jul 93*

[Text] Seoul, July 21 (YONHAP)—South Korea's first home-grown scientific rocket, launched June 4 to observe the ozone shield, was a success and has encouraged the country to jump into the space development business, a spokesman for the Korea Aerospace Research Institute (KARI) said Wednesday.

The Korean Sounding Rocket (KSR) No. 1 easily reached its target altitude of 39 kilometers, examined ozone layer above the Korean peninsula while flying

over it for three minutes, and made a flawless report of its observations to the ground station.

Advanced countries consider a margin of error of plus or minus 50 percent on the number of rotations by unguided rockets like KSR because of their wide dispersion range, but KSR-1's rotational, inertial and aerodynamic characteristics coincided with estimates in practice, proving perfection in manufacturing and assembly, the KARI spokesman said.

More than 70 percent of the measuring apparatus and electronic equipment, including the ozonesphere sounder, were developed by Korean companies.

The research team will launch a second KSR in September, during the Taejon Expo, and try for a top altitude of 54 kilometers and a descent at 106 km, the spokesman said.

Emboldened by the success of the first-stage rocket, KARI will work on a heavier and more advanced version for launch in 1996.

KSR's observation of the ozone shield proved valid in comparison with other sounding technology of Korea's satellite and U.S. National Aeronautics and Space Administration satellite, a professor at Yonsei University said.

"The ozone condition above Korea is not that worrisome," Prof. Cho Hi-ku said.

Burma

Rebels Return to 'Legal Fold' 1-10 Jun

BK2207155793 Rangoon Radio Burma in Burmese
1330 GMT 22 Jul 93

[Text] As members of the terrorist insurgent organizations are learning more and having faith in the work being carried out by the State Law and Order Restoration Council and its genuine goodwill, now they have realized that their armed struggle and their engagement in destructive activities will not benefit the country and people. They have been continuously returning to the legal fold at various military camps with their arms and ammunition.

The following is the list of members of the terrorist insurgent organizations who have returned to the legal fold at military camps in various military command regions between 1 and 10 June.

Northwest Military Command: Private Pyi Maung alias Maung Naing from Regiment-6 of the Kachin terrorist insurgent organization returned to the legal fold at Tamanti military camp.

Northern Military Command: Private Soe Hlaing from Brigade-2 of the Kachin terrorist insurgent organization returned to the legal fold at Mogaung military camp, while Privates Ko U, Bahadur, Tin Tun, and Zaw Wai from Regiment-255 returned to the legal fold at Pacho military camp. They brought three M-21 assault rifles, and one M-14 assault rifle with them. Private Maung Hmat from Regiment-5 returned to the legal fold at Shwegu military camp.

Western Military Command: Private Kyaw Sein from the AA [expansion unknown] Arakanese terrorist insurgent organization returned to the legal fold at Kyun Aung military camp.

Commander of Southern Military Command: Private Ye Kyaw alias Win Khine U from the BPA [expansion unknown] terrorist insurgent organization returned to the legal fold at Yargyo military with one M-16 assault rifle, while Private Nyein Gyan returned to the legal fold at Leikto military camp with one M-16 assault rifle. Private Ma Chyu Chyu alias Munya from the BNA [expansion unknown] returned to the legal fold at Yargyo with one .45 pistol. Private Slo Win Sein from the Karen terrorist insurgent organization returned to the legal fold at Kyaukkyi military camp, while Private Myint Hlaing from Regiment-9 returned to the legal fold at Myatpangwin military camp with one hand grenade.

Southeast Military Command: Private Saw Tha Htu from Regiment-16 of the Karen terrorist insurgent organization returned to the legal fold at Takatsun military camp with two AK-47 assault rifles, while Warrant Officer II Johnny alias Kyaw Hlaing from Regiment-10 returned to the legal fold at Tavoy military camp with one .38 pistol. Accountant Thaung Kyi from the Mon

terrorist insurgent organization returned to the legal fold at Mergui military camp, while Private Hashim from the Muslim terrorist insurgent organization returned to the legal fold at Moulmein military camp.

Eastern Military Command: Privates Aik Htwe and Nga Ta from the Loimaw terrorist insurgent organization returned to the legal fold at Mong Pun military with one M-22 assault rifle, while Privates Sai San Aye, Sai Tun Myint, and Aik Mun from Regiment-505 of the SURA [Shan United Revolutionary Army] Shan terrorist insurgent organization returned to the legal fold at (Kyesi) military camp with one M-16 assault rifle, one BA-64 assault rifle, and one hand grenade.

A total of 22 were returned to the legal fold after realizing their wrongdoings during this period. It has been learned that they were warmly welcome by the responsible personnel at the military camps.

Democratic Alliance Holds Constitution Conference

BK2207131093 Oslo Democratic Voice of Burma in Burmese 1430 GMT 21 Jul 93

[Text] The conference on the future state constitution of Burma, which has been drawn up by the Democratic Alliance of Burma [DAB], concluded in Manerplaw last week. Representatives from various organizations under the DAB attended and held discussions at the conference. This draft constitution will emerge as an approved draft after being agreed upon and approved by the democratic and revolutionary forces at a separate DAB conference which has been in session since the beginning of this week.

The DAB started the procedures for drawing up the draft constitution in mid-1990. Two conferences—one in Germany in December 1990, and another in Thailand in June 1992—were held to discuss the draft constitution drawn up by the DAB. Experts and intellectuals from many countries also attended and held discussions at those conferences.

A convention on the constitution will be held once this draft, which has been amended several times, is approved at the present DAB conference. Experts and intellectuals from various fields will be invited to the convention.

Brunei, Malaysia & Singapore

Malaysia

Minister: Malaysia Not To Attend APEC Meeting

BK2207071893 Kuala Lumpur BERNAMA in English
0616 GMT 22 Jul 93

[Text] Kuala Lumpur, July 22 (OANA/BERNAMA)—Malaysia remains firm in its stand not to attend the Asia

Pacific Economic Cooperation (APEC) summit in Seattle in November, Deputy Foreign Minister Dr Abdullah Fadzil Che Wan said Thursday. However, it would await the decision of the ASEAN foreign ministers who would be discussing the issue at their meeting in Singapore Friday, he added. He told reporters Malaysia's stand on the matter was clearly stated by Prime Minister Dr Mahathir Mohamed recently.

Dr Fadzil also said all preparations to send Malaysian troops to Bosnia had been completed. As soon as we get the green light from the United Nations, we will send them, he added. He believed the despatch of troops, agreed to by member countries of the Organisation of Islamic Conference (OIC), could be undertaken as soon as possible. Malaysia has agreed to send 1,500 troops as part of the 20,000 military force the OIC countries agreed to station in the war-torn former Yugoslav republic.

Russian Foreign Minister's Visit Reported

Agreement To Support Bosnian Solution

BK2207135493 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 22 Jul 93

[Text] Malaysia and Russia have agreed to support any United Nations resolution calling for the total end of hostilities in Bosnia-Herzegovina and meaningful negotiations for a just political solution.

Foreign Minister Datuk Abdullah Ahmad Badawi said the two countries were also in agreement that the UN should create more safe havens for the war-torn republic.

The creation of more safe havens would allow for the escalation of peace rather than the escalation of the war. Datuk Abdullah said this at the joint news conference after a one-hour discussion with his Russian counterpart, Andrey Kozyrev, in Kuala Lumpur.

He added that Russia has strong influence in Serbia where it has cultural and traditional links while Malaysia has good and friendly relations with the Bosnian government.

Russia Set To Enter SE Asian Arms Market

BK2207161293 Hong Kong AFP in English 1200 GMT 22 Jul 93

[Text] Kuala Lumpur, July 22 (AFP)—Russia hopes to use Malaysia's recent order for a squadron of MiG-29 fighter jets as a staging point to sell military weapons and aircraft to Southeast Asia, foreign minister Andrey Kozyrev said here Thursday.

"Malaysia is an important first step for us ... we are open to developing a partnership in the military arena with the other countries in the region," Kozyrev told reporters after holding talks with Malaysian Defence Minister Najib Tun Razak.

Kozyrev, on a one-day visit to Malaysia, said there was "room for balanced participation" with the United States in defence sales and forging military cooperation with Southeast Asian nations.

Last month Malaysia announced plans to purchase 18 MiG-29 aircraft, becoming the first of the Association of Southeast Asian Nations (ASEAN) to book the advanced jet fighters from Moscow. Until now, the West has dominated sales of sophisticated military equipment to Malaysia and other members of ASEAN.

Russian officials accompanying Kozyrev said Moscow's bid to tap the arms market in Southeast Asia would be backed by "transparent" contracts to ensure the move was not misconstrued.

Kozyrev said he would stress this point at the ASEAN foreign ministers meeting which begins in Singapore on Friday. Russia will attend the meeting as an "invited guest". Kozyrev is expected to reassure the meeting that Moscow, in its efforts to sell arms, will not violate global armament treaties or codes.

Arms exports remain one of Russia's main sources of hard currency in its bid to sustain political and economic reforms.

Moscow's arms sales pitch has raised concerns in the United States, worried that its efforts to curb the spread of advanced weapons may be undermined by Russia's need for cash.

Asked Russia's reaction to a reported Malaysian proposal to offer palm oil to settle half of the cost of its purchase of the MiG-29 jets, Kozyrev said: "This will be finalised, there are a lot of possibilities which are acceptable."

"But I can assure that this (MiG) deal will be a solid deal without any interruptions," said Kozyrev.

Najib said a Malaysian military delegation had just returned from Moscow. "We will evaluate the delegation's report after which we will call a Russian team over to finalise the terms of the contract," he said.

Kozyrev, the first Russian foreign minister to visit Malaysia was due to leave Singapore later Thursday. [sentence as received]

Philippine Foreign Secretary Continues Visit

Signs Memorandum on Joint Commission

BK2207074293 Kuala Lumpur BERNAMA in English 0716 GMT 22 Jul 93

[Text] Kuala Lumpur, July 22 (OANA/BERNAMA)—Malaysia and the Philippines today signed a memorandum of understanding (MOU) to establish a joint commission to deal with bilateral matters of common concern and interest.

Foreign Minister Abdullah Haji Ahmad Badawi and the Philippine Foreign Secretary Roberto Romulo signed the MOU on behalf of their governments at the treaty room in Wisma Putra [Foreign Ministry] here.

The commission seeks to foster closer bilateral relations between the two ASEAN partners, said to be strained at the official level by the 30-year-old Philippine territorial claim over Sabah, among other things, the commission, to be set up as soon as possible, will cover matters pertaining to trade, investment, tourism, Filipino workers and migrants in Malaysia and bilateral air services.

The commission is also aimed at facilitating official dialogue and consultation besides promoting economic relations between the private sectors of the two countries.

A milestone towards closer ties, the commission, regarded as a new chapter in Kuala Lumpur-Manila diplomatic relationship, was initiated during official talks between President Fidel Ramos and Prime Minister Dr Mahathir Mohamed here last January.

Manila Radio Reports

HK2307021393 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 22 Jul 93

[Text] The Philippines and Malaysia have signed a memorandum of understanding creating a joint-commission for bilateral cooperation. Foreign Affairs Secretary Roberto Romulo the commission will help strengthen the two countries' relations. The foreign secretary also stressed that the memorandum of understanding is a very important step towards the resolution of the Sabah issue.

Radio Notes Importance of Northern Growth Triangle

BK2207101093 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Jul 93

[Station commentary]

[Text] The Indonesia-Malaysia-Thailand Growth Triangle or IMT-GT has gotten off to a good start. The Malaysian Island of Langkawi provided the suitable atmosphere and setting for the inaugural ministerial meeting of the three countries to reach an accord on the establishment of the IMT-GT. They have agreed on the establishment of the business council to accelerate the growth in economic development of the triangle.

For a start, the committee will look into feasible projects related to tourism, agro-processing, fruit cultivation, and industry. What is encouraging is that the ministers of the three countries who attended the Langkawi meeting reached a consensus that all feasible projects related to the aforementioned projects should be implemented immediately.

The IMT-GT covers North Sumatera and Aceh in Indonesia, the northern states of peninsular Malaysia, and the southern provinces of Thailand. This triangle is endowed with vast untapped resources and economic possibilities which can be tapped jointly for the advantage and benefit of the three countries.

Apart from the favorable climate for business ventures, the regions enjoy political stability and the easily convertible national currency. In fact, this will naturally attract foreign investors to come on their own or on a joint venture basis. This will require the governments of the three countries to be more open, receptive and accomodative to lure more foreign investors.

The governments need to review the existing regulations and procedures, which if they are not adjusted to equitable foreign involvement will affect business ventures. Fortunately, where the IMT-GT is concerned, the three governments have given their fullest support to make the project a viable entity.

Much of the success of the IMT-GT will depend on the involvement of the private sector. If the private sector is strong and dominant, it can add (?depth) to the development of the triangle. As the economic adviser to the Malaysian Government said at the Langkawi meeting, the potential for the IMT-GT's success rests on an effective partnership not only between governments of the three countries, but also partnerships and joint efforts of the private sector in whatever field they excel in. An encouraging factor for the private sectors of the three countries is that they will enjoy the opportunities their respective governments can provide if they are fully involved in and committed to the growth of triangle.

The IMT-GT could turn out to be the mechanism to help expedite the realization of the ASEAN Free Trade Area, AFTA, and the proposed East Asia Economic Caucus, EAEC. Developing countries have already become frustrated over the stalled talks of the Uruguay Round to bring the confusions to a successful conclusion. Its failure to do so after six long years has done little to accelerate the development of the Third World.

The IMT-GT, within the context of ASEAN, has much to offer as a sub-regional grouping. It may turn out to be the second stage for the region to further develop and grow in economic strength.

Cambodia

Foreign Minister Leaves for ASEAN Meeting

BK2307072893 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 22 Jul 93

[Text] Prince Norodom Sirivut, minister of foreign affairs and international cooperation of the Provisional National Government of Cambodia, went to Singapore on 22 July at the official invitation of the ASEAN

countries to attend, as a guest, the 26th meeting of ASEAN foreign ministers, which is being held on 23 and 24 July.

Accompanying the prince on this trip were officials representing the ministries of trade, finance, bank, communications, national defense, and planning. ASEAN members are Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Brunei.

It is expected that the development of the political situation in Cambodia will be discussed at this meeting.

Government Circular on Protection of UNTAC Property

BK2207071593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 22 Jul 93

["Circular of the Provisional National Government of Cambodia, No. 04"—read by announcer]

[Text] The Provisional National Government of Cambodia [PNGC] would like to inform Prince Kromluong and His Excellency [H.E.] Coministers of the Ministry of National Defense; Prince Kromluong and H.E. Coministers of the Ministry of Interior and National Security; H.E. Finance Minister; and governors of all provinces and municipalities nationwide.

Subject: Measures to reinforce the protection of UNTAC [UN Transitional Authority in Cambodia] property

Reference: Circular No. 02 concerning public order and security dated 5 July 1993

As UNTAC's mandate will expire in the near future, the PNGC has noticed that theft of UNTAC property, particularly cars and construction equipment, has increased to an alarming rate over the past few weeks. These activities, if connected with local administrative officials or some of our armed forces, as stated in UNTAC letter dated 5 July 1993, are all violations of the law. Faced with this situation and in whatever circumstances, the PNGC is ordering the Ministry of National Defense, the Ministry of Interior and National Security, the Ministry of Finance, Customs, and Excise Ministry, and the Transport Ministry to fully cooperate with UNTAC and to immediately take the following measures:

- A. To intervene and repress these activities in a timely manner;
- B. To investigate and uncover offenders and accomplices taking part in stealing UNTAC property;
- C. To file reports and send the culprits and evidence to the tribunal for punishment in accordance with the law;
- D. To increase efficiency and rigorously carry out inspection and search at the border;
- E. Relevant units in charge of issuing licence plates for all types of vehicles should carefully examine the source of all documents.

The PNGC will strive to provide even closer cooperation with all levels of UNTAC to secure timely information to facilitate investigations and checkings on the thefts.

Upon receiving this circular, the Ministry of National Defense, the Ministry of Interior and National Security, the Ministry of Finance, Customs, and Excise, the Transport Ministry, provinces and municipalities should implement it and cooperate with UNTAC.

[Dated] Phnom Penh, 16 July 1993

[Signed] PGNC Cochairmen

Prince Kromluong Norodom Ranariddh
Hun Sen

PNGC Cochairmen Meet With UNTAC Deputy 21 Jul

BK2207150593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 22 Jul 93

[Text] Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairmen of the Provisional National Government of Cambodia [PNGC], held a working meeting with H.E. Behrooz Sadry, UNTAC [UN Transitional Authority in Cambodia] deputy chief, at the Council of Ministers' office on the afternoon of 21 July. The meeting lasted for more than two hours and focussed on the issue of the return of Vietnamese nationals who are presently on standby at the Cambodian-Vietnamese border, the operation of the Center for Clearing Mines in Cambodia at present and in the future, and measures to stamp out smuggling, boost revenue, and crack down on robbery, misappropriation of property with threats, and anarchy. At the meeting, measures to curb the stealing of UNTAC's property, including vehicles, were also discussed.

UNTAC wanted Vietnamese born in Cambodia who fled to Vietnam before the holding of the general elections to return and to live in the country. But the PNGC would not allow the return yet due to its inability to ensure security for those people. The PNGC cochairmen (?promised) to discuss this issue with the Vietnamese Government and requested that UNTAC assist the Vietnamese nationals in their daily living and provide security for them through the UN High Commissioner for Refugees.

Concerning the operation of the Center for Clearing Mines in Cambodia, UNTAC proposed that the mission be handed over to the PNGC and that an international organization or UNDP [UN Development Program] be responsible for dealing with technical problems by using Cambodian staff. The PNGC cochairmen has not make any decision yet and said the issue needs further discussion.

With regard to the issue of boosting revenue, the government has adopted a number of measures for competent authorities to deal with armed groups protecting smugglers.

On the issue of preventing robberies, the PNGC asked UNTAC to step up its control and search. As for the government itself, it has taken two important measures to solve the problem by regrouping the Cambodian National Armed Forces' troops in cantonments and by reinforcing the law on gun ownership.

Concerning measures to curb the stealing of UNTAC's property, the PNGC pledged to set up a mixed team made up of staff from the Justice and Interior Ministries and UNTAC to investigate to find the lost property and vehicles.

As for H.E. Behrooz Sadry, he allowed the PNGC to control and search vehicles bearing the UN sign.

Cantoned Weapons Returned to National Army

BK2207133693 Hong Kong AFP in English 0855 GMT 22 Jul 93

[Text] Phnom Penh, July 22 (AFP)—The United Nations said Thursday it was handing back the 50,000 weapons and 21 MiG fighter jets confiscated from Cambodian troops under the failed disarmament and demobilization plan last year.

The U.N. peacekeeping operation in Cambodia had planned to completely disarm and demobilize 70 percent of the country's four warring factions under a peace treaty signed in 1991. But the radical Khmer Rouge refused to go along with the plan, forcing U.N. peacekeepers to quit after collecting about 50,000 rusty old weapons, broken-down MiG fighters and several naval patrol boats.

The weapons were being returned to representatives of the newly unified Cambodian National Army, which includes three of the factions, U.N. spokesman Eric Falt said. The process had been completed in six provinces, and was continuing in the formerly heavily disputed province of Kompong Thom and southern Siha-noukville. The remaining provinces would receive their weapons in the coming days, he said.

The Khmer Rouge, still outside the process, have offered to join a four-party army in which their forces would be separate but allied with the national army. Information Minister Khieu Kanharith said Thursday that the Khmer Rouge might resort to violence in order to show they're still a force to be reckoned with in the bargaining process.

"I think they have to use violence to show they are strong," he said.

U.N. military officials have reported Khmer Rouge troop movements over the last few days and at least two partial bridge demolitions in the northwest. Road traffic from Thailand through Poipet on National Route 5 was cut off when suspected guerrillas damaged a bridge with a mine blast early Wednesday, Falt said. Only pedestrians and motorbikes were able to pass on the heavily

travelled route used to transport goods from Thailand and deliver humanitarian aid to the northwest.

Thai military engineers serving with the U.N. peacekeeping force were preparing to repair the bridge, Falt said. A second bridge along the already-cut railway between northwest Sisophon and Phnom Penh was demolished on Tuesday, Falt said.

Ranariddh Addresses Officers, Sailors 18 Jul

BK2207124593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 22 Jul 93

[Speech by His Royal Highness Prince Kromluong Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, at a meeting with officers and sailors at Ream Naval Base on 18 July—recorded]

[Text] Greetings to His Excellency [H.E.] the admiral chief of the Cambodian National Navy [CNN] Staff; their excellencies the deputy chiefs of staff, ministers, and state ministers, and their wives; beloved high-ranking officers, noncommissioned officers, and sailors: On behalf of H.E. Hun Sen, cochairman of the Provisional National Government of Cambodia [PNGC], and in my own name as cochairman of the PNGC, minister of national defense and of interior and national security, and cocommander in chief of the Cambodian National Armed Forces [CNAF], I would like to express my great delight and satisfaction at being able to visit the Ream Base of our CNN today. This is the first time since our National Constituent Assembly and our venerated Prince Father, the sole supreme commander of the CNAF, delegated to me and H.E. Cochairman Hun Sen the charge of leading the nation and heading this PNGC that I have been able to pay this visit to all of you in Ream. This is the first visit [applause] and it should be considered a historic visit as I still have had no opportunity to visit our brothers in the National Air Force or any other branches of the CNAF.

Moreover, I have the impression that the address made just now by H.E. the admiral chief of staff is of very great significance and importance. First of all, in my capacity as a cochairman—and I believe that H.E. Cochairman Hun Sen would also agree with me—I would like to say that from now on our CNAF no longer belong to any one faction. The CNAF belong to our Cambodian nation as a whole. [applause] This means that from now on we must stop talking about things past. There is no more this or that faction, this or that party; there is only one Cambodian nation, only one Cambodia, only one CNAF, only one Cambodian leader, and only one venerated Prince Father as the supreme commander of the CNAF. So, we have only one national army. [applause]

The mission of all of us who have Cambodian blood and who are regarded as the offspring of the Angkorian forefathers—our historic mission, our duty, our commitment—is to protect the land we have inherited from our

forefathers. All of you know that in the past Cambodia was known as a great nation, a vast empire. However, we must also stop talking about that, too. We must talk only about the present, about whatever we still possess. And we must defend it at the cost of our own lives. When we talk about the nation, we talk about the motherland; and if we do not have land, and if we do not have the country, then we do not have the nation or the motherland at all. For this reason, I say the nation is the motherland.

I know that all of you understand very well the importance of your great mission. In particular, the admiral was very correct when he said in his address just now that if one looks at our border from Vietnam down to Thailand one will see that we have a stretch of 450 km of coastline. This is a vast territory. And we have as many as 52 islands. So, Cambodia's maritime territory is vast. However, we have big neighbors on both sides. To the right there is a country with a 62 to 63 million population and to the left there is another country with a 57 million population while Cambodia has a population of only 8 or just almost 9 million. Nonetheless, I have the firm belief that from now on, as our august Prince Father pointed out, we are entering a new era in which all Cambodians are united and are willing to let bygones be bygones, to stop tearing at each other's throat, and to end all hostilities. I think that we must stop all the sufferings and tribulations now since we have already been through them for 23 years. We should stop all of them here and enter a new era, that is, an era of reconciliation among Cambodians, of unity under the leadership of our venerated Prince Father and the leadership of the national government born out of the wishes of the Cambodian people in order to defend our most beloved and sacred motherland.

Our maritime territory is vast and our islands are many. As you know, we have as resources not only fish, shrimp, and other things that are coveted and often stolen by neighboring countries but also natural gas and petroleum. If we explore for them—and we surely will find them—our country will become developed in all fields, not only economically but also in terms of a better living standard for the people, that is, in the domain of national rehabilitation and development in general. As a result, the people, who are the masters of the land and waters, will see their living conditions greatly improved.

Besides, I would like to inform you that concerning the requests expressed in the admiral's address just now, I have taken both mental and written notes of them—to tell you the truth, my appearance may fool you for I am no longer young; I am 50 years old now and I have a lot of things on my mind. H.E. Hun Sen is much younger than I. So, I have taken notes of them and I will immediately find solutions for them. In particular, from that address, I have learned that this is a malarial region. The question of improving the people's living conditions is paramount. They need food. They must be physically strong and healthy in order to fight malaria. There is much rain and there are many dense forests in this region. Therefore, we must fight malaria. I would like to

promise you that we will first of all tackle the issue of malaria and health for our people in this region and on the other islands. The CNN staff must help solve this problem right away.

H.E. Cochairman Hun Sen and I have just signed a technical assistance agreement with France. Soon, a delegation headed by a French five-star general will come to assess the needs of all our categories of forces, that is, the Army, the Air Force, and the Navy. I would like to recall that in the pre-coup-d'etat period, France planned to build what you call docks to receive ships. Of course, it is not only the engines that need repair, the body of the ships are full of nuts and bolts. Without the docks we cannot hoist the ships up above the water to repair their hulls. And we would have to rely on neighboring countries for the repair work, as the admiral has just said in his address. In my opinion, we must ask France to revive the project as she already plans to give us 300 million Francs—how much in dollars? Let us calculate by dividing this sum by five and we will get about \$60 million. So, we will ask France to revive her old project for the docks at the Ream Base to enable us to repair our own ships locally. Moreover, in my opinion, we should send our engineering and other sailors for training there and also for further training in France so we will be able to repair our own ships.

These are plans that we will immediately carry out: first, the health issue; second, the repair of the old docking facilities.

Another issue, according to what I heard from the admiral's address, is not too serious a problem. The truth is our national budget is going through a difficult period for the time being. However, we are making efforts. All of us—the PNGC, H.E. Cochairman Hun Sen, and H.E. the finance minister—are making efforts to get enough funds to pay our men in the three branches of the armed forces. Before coming here, H.E. the finance minister told me that as of Monday, that is, tomorrow [19 July] we will get an advance of \$3 million to be spent on rations or to be used as salaries for our men. This shows that our new government is doing its best to meet the urgent needs of the eminent members of our CNAF.

Moreover, I also heard about the problem concerning our needs in equipment. However, I did not hear the admiral make any request for new ships at all. It appears that what we already have is quite adequate. Nevertheless, I have the idea that we should continue begging for alms. H.E. Hun Sen said the other day he wanted to see Prince Kromluong going around begging for alms. And also the admiral said at the end of his address that he wishes me strength and the best of health so I can go around begging for alms. [laughter] We have no choice; we are poor. So, we beg. I think this is feasible and I have China and North Korea in mind. I have also contacted Singapore. Small though Singapore is, it produces from its own yards fast motor boats [preceding three words in French]. We need these kind of high-speed launches more than big ships. We need just three or four of these

new, fast motor boats to patrol our many islands. We merely want to meet our basic needs. We need not have ships for any naval battles like those during World War II or something like that. We only want to defend our territory. So, we must get what they call fast motor boats [three preceding words in French], high-speed, modern launches. We need them to be modern so they will not consume too much gas. When I came here I was shown a boat with three 1,700-rpm engines. If the three engines are used at the same time, a lot of gas will be consumed. Thus, we need smaller motor boats like those made in Singapore, and they are not very expensive. We can buy them on credit, too. [laughter] Look at the venerable monks. When they beg for alms, they chant prayers and preach to us. So, we can also beg for alms and talk them into letting us buy from them on credit. [laughter] I think it can be done. I have already talked to them about it and they have given us two boats.

Let me tell you about the machine guns on the boats. Other people are also using them, but now they prefer rockets to guns. The bigger the guns, the more cumbersome they are. We have many islands and with the short ranges of the cannon as well as the high speed of the intruding boats, we can rarely make any hit. The guns with smaller calibers such as the 23-mm or 12.7-mm cannon are all right, but it is difficult to use them to protect our territorial waters against, say, fast fishing boats. So, we must have modern ships with modern weapons. Modern [words indistinct] and effective. This is my view. We must head toward that direction. And we can send our men for training in foreign countries. But, mind you, we can do that only if our economy is booming, and for our economy to boom we must be able to protect our territory.

You know, we have a problem with both Vietnam and Thailand and we will settle it little by little. I am well aware of this problem, for I did my thesis on the Law of the Sea when I tried to take my Doctor of Laws' degree. I know something about that, but I am not telling you who is in the right and who is in the wrong. I cannot tell you now. I know in my mind, though, that it is possible to protect our interests. However, I would like to urge all of you, brothers, to please help protect them too.

Besides, I would like to inform you that when I talked about our need for modern equipment just now I did it in response to the requests expressed in the admiral's address. But we must put an emphasis on the living conditions of our men. Let us take care of their living conditions first. Also, prevent malaria and make all necessary medicines available. Speaking of medicines, I heard that there are already two infirmaries, but please let us try to make the necessary medicines available. Look into the medical supply. See if there are any shortages so that after my return to Phnom Penh I can work that problem out.

I would like to praise the former State of Cambodia for making all efforts to meet the needs of the armed forces

despite all the difficulties and shortages. I also recommend all officers and noncommissioned officers for their efforts in providing for the livelihood of our sailors.

I ask H.E. Sok An and other excellencies to please remind me once we return to Phnom Penh so we can get the necessary urgent assistance to Ream. [aside, apparently addressing the admiral] When you talked about the islands, you also mentioned a serious problem on them. Do you think we should supply these islands with food and medicine once a week or what? [unidentified voice in the background says: Once a month] Once a month?

In conclusion, I once again would like to salute with all my affection, respect, and esteem their excellencies the admirals in the CNN command, all officers, noncommissioned officers, and sailors. I admire all of you and feel very grateful to you in my capacity not only as a leader but also as an ordinary Cambodian for all the efforts and sacrifices you have made despite hardships and shortages. Concerning our men on the remote islands, I ask your excellencies to please convey to them the love and salutations of H.E. Cochairman Hun Sen and myself and especially the affection of our august Prince Father, our great leader and supreme commander of our CNAF. After our return, I, H.E. Sok An, and all other excellencies will do our best to solve the livelihood problems of all of you here.

[Addresses someone in the audience] How many doctors and medical personnel do you have in Ream? Only one doctor and three personnel? To cater for more than 700 patients? Does this not mean that you are the champions breaking the record in providing medical treatment? [laughter] I have to admire you. I promise you I will look into this matter when I return to Phnom Penh.

I also want to inform you about our plan to change uniforms. I have already talked about this subject before. This does not mean that the uniforms which you are wearing are not nice to look at. But all of us have agreed that we must wear the uniforms we used under Sangkum Reas Niyum [Sihanouk's former political party, Popular Socialist Party]. You might have this to say back to me: Prince, we do not even have enough rice to eat or enough beds for our patients and you are talking about a change of uniforms... To say that we do not have money... [laughter].

We are going to solve the problem of livelihood for you right away, but we are going to deal with the uniform change little by little. I promise we are going to take care of your living conditions. But we still need to have new uniforms because we are set on returning to the Sangkum Reas Niyum era. I beg the admirals in the CNN staff to take charge of that. You should have all the uniforms and badges like those in the Sangkum Reas Niyum era. They look pretty. I do not mean the women. [laughter] And on ceremonial occasions, all officers will have white uniforms. It will look excellent. I just asked the admirals why should we wear white? They could not answer. I know, manning ships can stain your uniforms with oil

and grease almost everywhere. However, white is a customary color for sailors, so we have to conform by changing the uniforms. We are doing the change as gradually as it is possible. And we are going to solve all the problems raised.

I have noticed that H.E. the state minister has taken notes. Do not forget to remind me of them or I will not dare return to Ream again. You here might say behind my back after my departure that I am just a big mouth who never keeps his words. So, please do not forget to remind me to live up to my promises otherwise I will not dare visit Ream again. We are going to solve the problem of health and technical assistance. When the French delegation headed by a five-star general arrives we will talk to them about the dock project.

I thank all of you with all my gratitude and admiration, especially the military leaders, for all the various sacrifices that you have made despite hardships and shortages. I wish you the five Buddhist blessings. May you enjoy happiness and strength just as the admiral has wished me so I can go around begging for alms. Please unite in national reconciliation. United, Cambodia will surely prosper and become glorious as in the Angkorian and Sangkum Reas Niyum eras. [applause]

VGNUFC on Definition of Government, Army, Police

BK2307012493 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Jul 93

[Unattributed commentary: "The Word National Should Be Clearly Specified To Prevent Bad Elements from Duping and Misleading Others At Will"]

[Text] 1. Lately, the Vietnamese aggressors, Vietnam's puppets, and allies in and outside UNTAC [UN Transitional Authority in Cambodia] have made efforts in their propaganda to dupe others about the word national. They attempted to use this word as a cover in order to use troops, police, and the state authority structures of Vietnam's puppets to continue the aggression and occupation and to massacre the Cambodian nation and people.

2. The Cambodian people need to clearly specify this so that bad elements cannot dupe and mislead others at will. What is the interim government, national government, and national army and police? What are called the army and police of the puppets? On this issue, the framework should be clear because it has political and practical implications.

In truth, what is the aspect of the interim government in essence and in reality? And in what circumstances (?was) this interim government (?set up)? According to the 23 October 1991 Paris agreement, the Supreme National Council [SNC] is the sole source of power and legitimate body representing Cambodia's independence, sovereignty, and national unity during the transitional period

and until a national assembly and a national government emerge from the election results.

The fact, however, is that Vietnam, its puppets, and allies in and outside UNTAC have not given a genuine role, rights, and power to the SNC. They still maintain state authority, from top to bottom, installed by Vietnam until after the UNTAC-organized elections at the end of May. Following the election—in which the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party won—Vietnam and its puppets procrastinated and refused to hand over power to FUNCINPEC to allow the latter to organize a government and an assembly.

First, Vietnam and puppets announced their rejection of the election results. Second, they seceded seven provinces to oppose the election results. Third, they ordered the puppet army and police officers to show their muscles in front of the Prince Father at the royal palace. Fourth, their allies took turns to put pressure on the Prince Father and Prince Norodom Ranariddh through a closed-door coup, and so on.

It was in such a situation that the Prince Father was forced to decide on an interim government through a 45-45-10 percent formula. However, this is only a temporary arrangement for three months, that is from early July to the end of September, until a national constitution and new national government emerge based on the election results. This is the state authority of the provisional government. This is certainly not the national state authority.

Furthermore, puppet troops and police continue to persecute people and go after FUNCINPEC members and the people who voted for FUNCINPEC, who have been all scattered everywhere. This question can be asked: Was it Prince Ranariddh and FUNCINPEC or Vietnam and puppets who ordered the killing of the people and FUNCINPEC members? It was not Prince Ranariddh and FUNCINPEC. It was Vietnam and its puppets, through their state authority structures from Phnom Penh down to communes and villages, who carried out these daily killings. For FUNCINPEC in particular, Vietnam and its puppets have implemented a policy of lulling the top while completely destroying the bottom. This is clearer than broad daylight.

In such a situation, Vietnam, Vietnam's puppets, and allies have made efforts to hold up the national label to cover up Vietnam and its puppets in their aggression and killing of the Cambodian nation and people. These people have shamelessly shouted that the puppet army is the national army, that the puppet police is the national police, or that the government is the national government, and so on.

The nation and people do know what is national and what is traitorous to the nation killing the Cambodian nation and people. Therefore, the Cambodian nation and people will more vigorously unite around the national reconciliation plan of the Prince Father until

there is a genuine national army and national police, and until there is a genuine national assembly and a national government.

Indonesia

Assembly Chairman Meets PRC Counterpart Qiao Shi

BK2207154193 Jakarta Radio Republik Indonesia Network in Indonesian. 1500 GMT 22 Jul 93

[Text] Wahono, speaker of the House of Representatives [DPR] and chairman of the People's Consultative Assembly [MPR] of the Republic of Indonesia, says no country can undertake development programs if it is in a state of war. Wahono made the remarks when he received Qiao Shi, chairman of China's National People's Congress [NPC], in Jakarta today. According to the chairman of the DPR and MPR, Sino-Indonesian cooperation in maintaining regional peace and stability is very important because this will contribute to strong stability in the Asia-Pacific region.

Meanwhile, the NPC chairman said the Chinese people are continuing efforts to expand the country's reforms, the open-door policy, and the socialist market economy. He said his government is now pursuing an economic policy that has never been pursued by previous governments.

Suharto 'Has Never Regarded' Nasution as Dissident

BK2207095493 Jakarta THE INDONESIA TIMES in English 15 Jul 93 p 1

[Text] President Suharto has never regarded General (Retired) Abdul Haris Nasution, former speaker of Provisional People's Consultative Assembly (MPRS), as a dissident.

"I have good relations with Pak Nas (Mr. Nasution). I shook hands with him when we met at the house of the late Suparjo Rustam, former coordinating minister of people's welfare," Susilo [coordinating minister for political and security affairs] quoted Suharto as telling him in a meeting here on Wednesday.

Suharto was reported to have said that if he and Nasution had different opinion, it was a normal thing. "We don't mind because the difference of opinion is respected in Pancasila democracy system," Suharto was quoted as saying.

Suharto and Susilo discussed various issues. Susilo would represent Indonesian Government in the swearing in of Paraguay's new president on August 15.

"I also reported to the president on our meeting with Pak Nas and Pak Dharsono (former ASEAN secretary general) at the Army Hospital here," Susilo said. Susilo at the meeting was accompanied by Defence and Security

Minister General Edi Sudrajat and the Armed Forces chief, General Feisal Tanjung, and Vice Chief of Army Staff Lt. Gen. Suryadi.

The newsmen asked: "Is the meeting a political engineering?" Susilo replied: "It's not true at all. The meeting was my initiative to see my seniors."

Does it mean that the government has loosened its stance against those who were regarded as "dissidents," asked newsmen. Susilo said: "Pak Nas is not, but Pak Dharsono is a dissident. Pak Dharsono was jailed, but he has been released after serving the sentence. And now they are being treated at the Gatot Subroto Army Hospital."

Susilo said that Pak Nas who was coordinating minister for security and defence/chief of staff of the armed forces under the late President Sukarno's government, was not previously banned from travelling abroad. The ban was imposed when Admiral (retired) Sudomo was commanding the Security Restoration Command.

Susilo said that the president gave positive response on the meeting with Pak Nas and Pak Dharsono. The meeting, said Susilo, was not President Suharto's directive.

"We have no special intention with the meeting. It's a normal thing, but the press and politicians have made big fuss about the meeting," Susilo added.

Susilo said that although Lieutenant General (Retired) Ali Sadikin was invited to see Naval Dockyard (PAL) and Nusantara Aircraft Industry, the government's stance on him did not change. Sadikin (former Jakarta governor) is leader of the so-called dissident Group of Fifty (Petisi 50).

"The government's stance does not change, but we respect the freedom of expression" Susilo said.

Susilo stressed that the government's position on Sadikin and other petitioners have not changed. They were charged as discrediting the government, so they could endanger national unity and national stability.

Replying to a question, Susilo said that he has no authority to take any action against. "I'm just a coordinating minister," he added.

Susilo disclosed that in the next coordinating meeting on security and defence, the government would announce the list of those who are banned from travelling overseas.

Laos

Delegation Departs on DPRK 'Friendship Visit'

BK2307051993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 23 Jul 93

[Text] A high-level party and state delegation of the Lao People's Democratic Republic [LPDR], led by Comrade

Saman Vi-gnaket, member of the Political Bureau of the Lao People's Revolutionary Party Central Committee and chairman of the National Assembly, left the capital of Vientiane yesterday. The delegation is paying an official friendship visit to the Democratic People's Republic of Korea from 22 July to 2 August.

On this occasion, the Lao party-state delegation will also participate in the celebration of the 40th anniversary of the DPRK's liberation war victory.

The Lao delegation was seen off at Wattai International Airport by Comrade Somlat Chanthamat, Political Bureau member of the Party Central Committee and chief of the Propaganda and Training Board of the Party Central Committee; members of the National Assembly Standing Committee; and a number of high-ranking cadres.

Chang Yong-chun, ambassador extraordinary and plenipotentiary of the DPRK to Laos, was also present at the airport to see the delegation off.

Information, Culture Delegation Leaves for SRV

BK2007142993 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 Jul 93

[Text] This morning, a delegation of the Information and Culture Ministry led by Minister Osakan Thammatheva left for an official friendship visit to the SRV at the invitation of Tran Hoan, minister of culture and information of the SRV. The Lao delegation will stay in the SRV for seven days. The main purpose of the visit is to exchange experiences on implementing the information and cultural policy in service of the new, restructuring line. During the visit, the Lao delegation will also hold discussions with the the Vietnamese side on managing and implementing rules and regulations as well as various laws on information and cultural work.

The delegation was seen off at Wattai Airport by Bounteng Vongsai, deputy minister of information and culture; and Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to Laos, along with a number of cadres concerned.

Reduced Import Taxes of Products in Thailand Sought

BK2107120893 Vientiane KPL in English 0853 GMT 21 Jul 93

[Text] Vientiane, July 21 (KPL)—Laos is expected to ask Thailand to eliminate import taxes on 16 agricultural products now being charged at a concessionary rate of 20 percent when Laotian Trade and Tourism Minister Sompadit Volasan visits Thailand this week, according to XINHUA.

Sompadit Volasan is scheduled to arrive here Thursday and meet with Thai Commerce Minister Uthai Phimchachon to discuss this issue, according to the Thai Commerce Ministry.

The 16 products include soybeans, jute, cotton, sealing wax and cashew nuts, it said, reported XINHUA.

Coal-Mining Agreement Signed With Thai Company

BK2207145393 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 22 Jul 93

[Text] On the evening of 21 July at the Lan Xang Hotel in the capital, Vientiane, Leuan Sombounkhan, vice chairman of the Committee for Planning and Cooperation; Siriwan, chairman of the Board of Directors of the Thai-Lao Lignite Company Limited; and Ounheuan Phommihong, director of the Forestry and Agricultural Development and Import-Export Service Company, signed an additional agreement on a lignite-exploration project conducted by the lignite company in the Sianghon-Hongsa special zone. The signing was witnessed by Phao Bounnaphon, minister attached to the Prime Minister's Office; other ministers and deputy ministers; and a number of high-ranking officials concerned.

The additional agreement stipulates that the Lao Government will grant (?concessions) to the lignite company to expand its coal production, survey, and exploration area from 20 to 60 square kilometers with an increase of investment funds from 40 to 80 million baht [Thai currency]. The investing company is expected to complete conducting the survey in the area within 2 years beginning from the date the additional agreement was signed.

The lignite survey and exploration project, located at Ban Hang village, Hongsa District of the Sianghon-Hongsa special zone, will last for 10 years. Within this specified period, a coal-powered 600-megawatt power plant will be built in two stages with a construction cost of between U.S. \$800 to 1,000 million. So far, the survey has been approximately 70 percent completed in an area of 20 square kilometers. According to an initial estimate, the coal deposit in the area is approximately 150 million metric tons, worth some 200 (?billion baht). Ninety percent of electricity generated at this plant will be purchased by Thailand and the rest will be consumed locally. The project is not expected to create any adverse effects on the environment.

Thanks Received From Cambodian Minister

BK2207132493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 22 Jul 93

[Thank-you message from His Excellency Norodom Sirivut, Cambodian minister of foreign affairs and international cooperation, to His Excellency Somsavat Lengsavat, minister of foreign affairs—dated 14 July]

[Text] I would like to express my sincere thanks to Your Excellency for having extended warm congratulations and best wishes to me on the occasion of my appointment as minister of foreign affairs and international cooperation of Cambodia. I fully agree with your views

and firmly believe the friendly relations and traditional cooperation between our two countries and peoples will be incessantly developed for the happiness and well-being of the Cambodian and Lao peoples.

President Receives Outgoing Ambassadors

BK2307050993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 23 Jul 93

[Text] On the afternoon of 22 July at the Presidential Palace, President Nouhak Phoumsavan of the Lao People's Democratic Republic [LPDR] received courtesy calls from Charles B. Salmon, Jr, ambassador extraordinary and plenipotentiary of the United States to Laos; Jose L. Villa, ambassador extraordinary and plenipotentiary of the Republic of the Philippines to Laos; and (Mohammad Khyber), ambassador of Pakistan to Laos, respectively. The three ambassadors made the calls to bid farewell to the Lao president after having completed their diplomatic assignments here.

On this occasion, President Nouhak Phoumsavan highly valued the accomplishments in the diplomatic tasks of the three envoys, which have contributed to the gradual improving of the good understanding and relations between Laos and the three countries. He hoped that after they return to their homelands, the good understanding between the governments and peoples of their countries and the LPDR will continue to improve consistently.

Later the same afternoon, the Philippine and Pakistani ambassadors to Laos also paid farewell calls on Lao Prime Minister Khamtai Siphandon.

Sweden Provides Funds for Communications, Roads

BK1707133693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Jul 93

[Text] An additional agreement on communications cooperation was signed between Laos and Sweden yesterday at the office of the Ministry of Communications, Transport, Posts, and Construction. Noi Indavong, deputy minister of communications, transport, posts, and construction, signed the agreement for the Lao side, while (Rosanam), Swedish charge d'affaires in Laos, signed for the Swedish side. The signing ceremony was witnessed by Bouathong, minister of communications, transport, posts, and construction; other deputy ministers; department directors; and some high-ranking technicians from both sides.

The additional agreement spells out the conditions under which SIDA [Swedish International Development Agency] will provide a third batch of aid, totalling U.S. \$16 million, for Laos to repair and build a 180-km stretch of Highway No. 13-south from the capital, Vientiane, to Pak Kading. The construction and repair of this highway will be undertaken by Sweden's (Skanska) Company under the quality control and supervision of the

Swedish (Slengo) Consultancy Company. The construction and repair work begins in early July and is expected to be completed in mid-1996.

SIDA has so far provided a total of U.S. \$40 million in three batches for Laos to build this highway.

Thailand

Authorities Launch Crackdown on Copyright Violators

BK2207082393 Bangkok Radio Thailand Network in Thai 0530 GMT 22 Jul 93

[Text] Speaking to reporters about the suppression of music and video tape copyright violations, regarded as an important policy by the present government, Deputy Commerce Minister Churin Laksanawisit said that the number of violators arrested has been increasing. He said: [Begin Surin recording]

Authorities have made extensive progress in the suppression of music and video tape copyright violations. Last week alone, we arrested a number of suspects in 40 cases of music and video copyright violations. From 1 to 21 July, there were 70 cases with 12,740 cassettes confiscated. Since the beginning of this year, over 300,000 pirated cassettes have been confiscated in 905 cases of copyright infringement. However, the number of piracy cases will eventually decline as the result of continuous suppression operations by the authorities. [end recording]

Chuan, Uthai Clash Over Official's U.S. Trip

BK2307034593 Bangkok THE NATION in English 23 Jul 93 p B1

[Article by Atchara Phongwutthitham]

[Text] Prime Minister Chuan Likphai yesterday clashed head-on with Commerce Minister Uthai Phimchaichon and over-ruled an investigation order which would have prevented Phatchara Itsarasena, the permanent-secretary, from leaving for the United States today on a crucial round of trade negotiation.

Uthai issued an abrupt order yesterday to set up an investigation committee alleging that Phatchara had "exercised his authority illegally". He ordered the establishment of a disciplinary investigation committee, chaired by Deputy Commerce Minister Phaithun Kacothong, to look into the allegation.

The investigation is virtually a repeat of a previous order Uthai issued in March, also related to a trade negotiations trip to the US by Phatchara, to investigate charges of abuse of his authority in an allegedly unfair dismissal of a former middle-ranking official. The investigation proved inconclusive.

But Premier Chuan yesterday counter-signed an order which includes Phatchara on the list of a delegation

accompanying Deputy Prime Minister Dr Suphachai Phanitchaphak to Washington where they are due to meet Mickey Kantor, the US Trade Representative.

The USTR is due to rule on July 31 whether or not to impose retaliatory measures against the Thai exports due to disputes over copyright and patent protection. The trip is the last chance for Thailand to present its case before Washington makes its decision.

Phatchara, the Commerce Ministry's most experienced trade negotiator and Uthai are known to have conflicting views on how to conduct trade negotiations with the US. But Uthai denied that his order is aimed at discrediting Phatchara.

"We should not have to worry about the talks with the US," he said. "We have accomplished the fundamentals, and only the issue of patent is left on the negotiating table," Uthai said.

Yesterday's investigation order was seen as an obvious attempt to block Phatchara from going to Washington. Had the prime minister not intervened, Phatchara would have had to stay home to defend himself against the same abuse of authority charge, stemming from the allegedly unfair dismissal of a middle-ranking official several years ago.

Observers said that Uthai's order could have had an impact on this round of trade negotiations with the US because of its critical timing.

This round of allegations of abuse of authority is a serious one and Uthai could use his ministerial authority to temporarily replace Phatchara until the outcome of the investigation is known.

The investigation committee, commissioned by Uthai, is headed by Professor Amon Raksasat. The committee members, who are close to Uthai, cannot dismiss Phatchara because of his senior-most position in the ministry. Only Uthai can issue an order to transfer Phatchara to an active post during the investigation.

The prime minister's intervention confirmed rumours which have been circulating for some time that Chuan was unhappy with some of the actions taken by Uthai in his dealings with Phatchara and his subsequent maverick talk in the US. Supachai is making this trip to the US with a clear mandate.

Uthai is the leader of the Solidarity Party, a minor partner in the coalition government. It has eight members.

Uthai's action prompted an outburst from a leading businessman who asked not to be identified. The businessman said politicians and civil servants should unite since the tasks ahead are crucial and the country is depending on them.

Article Urges U.S. Not To 'Meddle' In Cambodia

BK2207080393 Bangkok SIAM POST in Thai 22 Jul 93
p 6

[Article: "Compromise For Peace In Cambodia"]

[Excerpt] [passage omitted] A couple of days ago Prince Norodom Sihanouk said sarcastically that the United States was exerting great pressure on Cambodia not to include the Khmer Rouge in the Cambodian Government or face complete absence of any U.S. aid. He said that repeated U.S. insistence and pressure on this matter was driving him to the mental hospital.

Prince Sihanouk then said as the result of the U.S. pressure he would not try to persuade the Khmer Rouge to join the Cambodian government in September or afterward. This remark by Sihanouk was reported on 20 July. That same night there was a report that 70 Khmer Rouge soldiers blew apart two bridges near Poipet, preventing the delivery of UN relief materials from Thailand.

The Khmer Rouge soldiers total about 10,000 and control about 20 percent of the Cambodian territory.

The United States opposes any Khmer Rouge role in the Cambodian Government because it despises them for the inhumane murders and atrocities committed during their administration during 1975-78.

Frankly speaking, the United States killed more people than the Khmer Rouge when President Truman ordered the bombing of Hiroshima and Nagasaki. As a result, many Japanese victims are still suffering today. Did the United States not commit an inhumane act then? Or is it that because it won the war it can escape the stigma?

What the United States should do is to look forward, not back. Everyone has a scar if you look backwards. The United States should not try to obstruct the process because the United Nations has agreed to solve the Cambodian problem along the principle of reconciliation. It should realize that Cambodia belongs to the Cambodian people. It is up to the Cambodian people to decide their own future without the interference of foreigners who live a continent away.

People who eat bread cannot understand the problem of people who eat fermented fish. This is something the United States must understand and try to compromise to allow the policy of national reconciliation to proceed for happiness of the Cambodian people.

A report from Cambodia yesterday said that blocking the Khmer Rouge from participating in the government will cause it to resort to violence in order to bargain with the Cambodian Government. If this occurs, can the United States solve the problem? If it cannot it is better to stay away and refrain from meddling in Cambodia.

Iran Signs for Purchase of 200,000 Tons of Rice

*BK2207151793 Bangkok Voice of Free Asia in Thai
1030 GMT 22 Jul 93*

[Text] Iran has signed a contract for the purchase of 200,000 tons of 100-percent white rice from Thailand on a 18-month credit term with an interest rate of 7 percent. Fifty thousand tons will be delivered monthly to Iran from October to January.

The signing ceremony of the contract between the Foreign Trade Department and (Ali Mathani), deputy executive director of the Trade Corporation of Iran, on Tuesday was witnessed by Commerce Minister Uthai Phimchaichon. The minister told reporters that the rice sale to Iran will help boost prices of rice from the upcoming harvest, adding that Iran's monthly consumption of good-quality rice is estimated at 700,000 tons. The rice will be taken from the stock under the rice mortgage scheme of the Bank for Agriculture and Agricultural Cooperatives, while some will be purchased from domestic rice markets. The minister said both sides are satisfied with the price quoted in the contract.

It is reported that the price set at \$251 per ton is still rather low compared with the current market price.

Editorial Views Issues Facing ASEAN Meeting

*BK2307032193 Bangkok THE NATION in English
23 Jul 93 p A6*

[Editorial: "Asean meeting promises to be a landmark event"]

[Text] Asean foreign ministers together with their seven dialogue partners start their week-long meeting in Singapore today for talks which promise to be a landmark event focusing on regional security, ways to include Russia and China in a dialogue and economic cooperation in the Asia-Pacific region.

For the first time, Chinese Foreign Minister Qian Qichen and Russian Foreign Minister Andrey Kozyrev will meet their counterparts from the United States, Japan, Australia, Canada, New Zealand, South Korea and the European Community with Asean as the host.

Vietnam and Laos, which acceded to Asean's Treaty of Amity and Cooperation last year, will attend the Asean Ministerial Meeting as observers for the first time, along with Papua New Guinea.

Cambodian Foreign Minister Prince Norodom Sirivut has also been invited as a guest and this is a good indication of Asean's renewed interest in the post-election Cambodia. After having played a low profile, as the so-called "junior partner", when the Paris Peace Accords were signed in 1991, Asean is now determined to usher Cambodia into Asean.

Chinese threat

A nagging issue in Singapore will be the question of an emerging China and its growing military strength in the region which is of particular concern to Asean.

Over the past year, China has beefed up its military forces in the disputed Spratly and Paracel islands. The Spratlys in the South China Sea which straddle vital sealanes are believed to be resource-rich and are claimed by China, Vietnam, Malaysia, Philippines, Brunei and Taiwan.

In February last year, the National People's Congress passed a new law which defines the whole area in the South China Sea as its territorial waters. It is without doubt that the Spratlys could become Asia's next flash-point in view of the rival claims by the six nations.

The Manila Declaration, issued at last year's Asean Ministerial Meeting, calls on the claimants to exercise self-restraint and explore joint cooperation while setting aside the issue of sovereignty. Vietnam has given its unconditional support to the declaration, but China's response has been lukewarm.

With China's foreign minister in Singapore, some Asean members are expected to seek an explanation of Beijing's intentions in the Spratlys.

For one, multilateral negotiations might be initiated on the claims of the six countries, with the United States being asked to clarify its stand on the issue. So far, Washington has been hesitant about getting involved in territorial disputes. But a firm American stand could help diffuse current tensions in the island chain.

Also through multi-lateral negotiations, the claimants to the Spratlys could be roped into a set of ground rules, whereby military pressure in the area will be minimized.

Another worrying aspect to be discussed in Singapore will be the arms build-up in Southeast Asia, without any form of control. Malaysia and Indonesia are among the countries spending increasing amounts on weapons procurements, hence triggering a certain amount of apprehension in neighbouring Thailand and Singapore.

Kuala Lumpur's recent purchase of 18 MiG-29 air defence Russian fighters and eight FA 18/D jet fighters from the United States coupled with Jakarta's interest in Awac (advanced warning and control system) reconnaissance planes also from the United States are cases in point.

Asean will have to devise firm ideas for a registry for countries to declare their arms inventories and arms acquisitions, exchange of information among defence planners, swap military observers and to give prior notification of military exercises. Failing this, the arms race in the region could go out of control.

Apec summit

The main economic agenda for the post-ministerial conference will be US President Bill Clinton's proposal for a summit of Asia-Pacific Economic Cooperation (Apec) leaders. The summit will be held in Seattle, Washington and is also being strongly supported by Australia.

Malaysia has expressed strong opposition to the Apec summit with Prime Minister Mahathir Mohamed making it known that he will not attend.

Rather than have a parochial view of the summit, Asean should realize that the summit would provide a useful opportunity to have discussions among leaders of Apec countries, not only in economic terms but also in broader terms as to how relationships in the western Pacific and throughout Asia can be improved.

In Washington's point of view Apec is a relatively new organization and through it the United States can emphasize that it has a continuing commitment to Asia. Apec can also be used as a medium to have high-level exchanges with leaders in the Asia-Pacific region, a parallel approach to the Nato summit proposed in Europe.

All in all, the Asean meeting in Singapore today and the ensuing post-ministerial conference must be used as an opportunity to bolster regional confidence. The inclusion of Russia and China in a security dialogue is indeed laudable because regional problems cannot be discussed without them.

Chuan Chairs NSC Meeting on Regional Cooperation

*BK2307043593 Bangkok BANGKOK POST in English
23 Jul 93 p 7*

[Text] Prime Minister Chuan Likphai yesterday chaired a meeting of the National Security Council [NSC] to discuss a master plan for building cooperation between various countries in the region.

NSC secretary-general Gen [General] Charan Kunlanit said the five-year plan aimed at establishing policy and strategies for building regional cooperation would be put into effect this year and continue for three years in the initial stage.

It will involve cooperation between Thailand, Laos, Vietnam, Cambodia, Burma, five southern provinces in China and ASEAN.

The Supreme Commander, the commanders-in-chief of the three Armed Forces, the National Intelligence Agency, the Foreign and Defence Ministers and the Police chief all attended the fourth meeting to discuss the plan.

Gen Charan said the plan would initially stress the exchange of personnel and economic cooperation—particularly the building of basic structures.

He said some plans had already been put into effect such as the growth quadrangle involving efforts to jointly develop southern China, Burma, Thailand and Laos.

Another plan involves efforts to develop the triangle which includes Thailand, Malaysia and Indonesia. There are also plans to build a road link to Keng Tung in Burma and Jinghong in Yunnan.

Private sector participation is the key to the master plan projects, he said.

Gen Charan said the NSC had already approved the master plan and it would be submitted to Cabinet for its approval.

The NSC secretary-general said the meeting also discussed the repatriation of Indochinese refugees.

All Cambodian refugees have been repatriated since May but there are about 13,000 Laotian and Vietnamese refugee still in Thailand.

About 7,000 of the 9,000 children of Vietnamese refugees from the Dien Bien Phu era have been granted Thai citizenship and the applications of the others are still being considered.

The meeting also discussed the problem of some 40,000 illegal immigrants in Thailand, only 8,000 of which have been apprehended by authorities.

He said the figure of 40,000 was an official figure but the real number of illegal immigrants may be as high as 100,000. Burmese make up the largest group of illegal immigrants in the country, he said.

Gen Charan said it was true the Asian Development Bank's refusal to grant loans to Burma may prove a problem and would have to be taken into consideration.

He said one could still proceed on a bilateral basis while maintaining a regional overview.

The NSC chief said Thailand was not trying to become a regional centre in the post-Cold War period since it was only a small country in the region. Indonesia has a much larger population and more potential.

"We don't want to be the leader or anything. We just want to propose an idea for regional cooperation. We want the whole region to have good living standards," he said.

Prasong Rejects Burmese Refugee Oppression Charge

BK2207082793 Bangkok Radio Thailand Network in Thai 0530 GMT 22 Jul 93

[Text] Foreign Minister Squadron Leader Prasong Sun-siri said he sees good prospects for national reconciliation in Cambodia, adding that Thailand wants the Cambodian people to solve their own problems without external interference. The Cambodian people must make their own decisions regarding the direction of the administration of their country, while Thailand will help them as much as it can.

Asked about the accusation made by some foreign private organizations that the government has been oppressing Burmese refugees, the foreign minister replied that several hundred thousand Burmese are taking refuge in Thailand. In this connection, the government must see to it that everything proceeds according to the law for the sake of peace and order. There is no oppression of Burmese students taking political refuge in Thailand. As people from a neighboring country, they have been provided with shelters and assistance by the Thai Government. However, the people in distant countries might not know what is really going on here.

The foreign minister also revealed that he will bring up several issues, including the Cambodian problem, for discussion during the ASEAN foreign ministers meeting in Singapore from 23 to 28 July.

Policemen Said Facing Arrest in Saudi Jewel Case

BK2307031393 Bangkok THE NATION in English 23 Jul 93 p A1

[Text] About a dozen police officers, including two generals and several civilians are facing arrest in the latest crackdown in connection with the Saudi jewellery scam, informed police sources said yesterday.

Deputy Permanent Secretary for the Interior Ari Wong-araya confirmed that warrants would be issued for the arrest of "more than 10 people including government officials and ordinary citizens", but declined to specify who they were.

Ari heads the Interior Ministry's committee handling criminal cases affecting Thai-Saudi relations.

Asked if any police general was on the list, Ari said: "I can't say anything at the moment."

But, the sources said that two police generals, about 10 lower-ranking officers and "five or six" civilians were on the imminent list to be submitted to Interior Minister Chawalit Yongchaiyut.

Among the suspects is a "retired" senior officer, according to the sources.

Ari yesterday chaired a meeting of another government committee which has exclusively investigated the disappearance in 1990 of jewellery that had been retrieved by Thai police after being stolen from a Saudi palace by a Thai worker.

Members of the investigating committee resolved to arrest the suspects and to ask Chawalit to endorse police warrants, according to Ari.

"The government officials on the list face malfeasance charges," he said.

But the sources said it was likely the police suspects would be charged with embezzlement and the civilians with receiving stolen items.

The disclosure added a new twist to the controversial scam after public prosecutors early this month charged seven police officers—including noted crime buster Pol Lt Gen [Police Lieutenant General] Chalot Koetthet—and one civilian for their alleged involvement in the embezzlement scheme that soured Thai-Saudi relationship. The eight defendants face charges including malfeasance, extortion and bribery.

Chalot, now commissioner attached to the Police Department, was assigned by the Police Department when he was deputy chief of the Central Investigation Bureau to head an investigation into the palace theft case.

His team arrested Thai worker Kriangkrai Techamong in 1990 and subsequently returned the "loot" to Saudi Arabia.

Chalot's much-praised team was investigated after Saudi Arabia complained to the Thai government that much of the jewellery was still missing and some of the returned gems were found to be fake.

There has been persistent speculation that Chalot and his team were just part of a wider scam which might have involved higher-ranking police officials and politicians.

Deputy Police Director General Pol Gen [Police General] Chan Rattanatham is in charge of concluding a final report to be submitted to Chawalit before warrants can be issued, the sources said.

The Interior Ministry's investigators probing the scam have questioned Kriangkrai, now a free man after having served more than two years in jail. They visited a jewellery shop owner in Phrae, Surasak Aneksirikun, the sources said.

The investigators wanted information from Surasak and his elder sister about how the Saudi jewellery changed hands after it was retrieved from Kriangkrai.

The sources also said that Saudi Charge d'Affairs Muhammad Sa'id Khujah had obtained evidence of the Pol Gen Chan-led investigation and "rushed back" to

Saudi Arabia earlier this week to inform his government of the progress made in the case.

Khujah earlier told The Nation that information he had received from the Interior Ministry investigators implicated a certain prominent politician.

The embezzlement scam took place during the premiership of Gen Chatchai Chunhawan.

At that time Pol Gen Sawaeng Thirasawat was police director general.

Kriangkrai was arrested during a transitional period at the Interior Ministry when the then interior minister Pol Gen Praman Adireksan was swapping posts with industry minister Banhan Sinlapa-acha in a small-scale Cabinet reshuffle.

Foreign-Based Scientists Attend Science Seminar

BK2207051893 Bangkok Radio Thailand Network in English 0000 GMT 22 Jul 93

[Text] A group of 70 Thai scientists, doctors, and engineers working in America, Europe, and Japan have returned home to attend the third international conference on advanced science and technology transfer to Thailand. The three-day conference beginning tomorrow takes place at the Ambassador Hotel in Bangkok. It is organized jointly by the Damrong Latthiphiphat Foundation, the Ministry of Science, Technology, and Environment, National Science and Technology Development Agency, Association of Thai Professionals in America and Canada, Association of Thai Professionals in Japan, and Association of Thai Professionals in Europe. The conference is aimed at encouraging Thai professionals working overseas to help transfer technology back to Thailand, thus leading to the reverse of brain drain.

Today the group of Thai professionals will pay courtesy calls on Prime Minister Chuan Likphai, House Speaker Marut Bunnak, and Minister of University Affairs Suthep Atthakon. Prime Minister Chuan will preside over the opening of the third international conference on advanced science and technology transfer to Thailand tomorrow at 9 AM. The conference will also feature panel discussions on AIDS, computer technology, and natural resources, and the environment.

Vietnam

Report on Nguyen Dy Nien's Trip to N. Africa

BK2207140593 Hanoi Voice of Vietnam in English 1000 GMT 22 Jul 93

[Radio commentary]

[Text] In implementing the open-door foreign policy, Vietnamese Deputy Foreign Minister Nguyen Dy Nien visited Egypt, Tunisia, and Libya from 14 July. He held talks with Egyptian Assistant Foreign Secretary Mr.

Isma'il Makhlef on concrete measures to promote bilateral cooperation and friendship in political, economic, and cultural fields. The Vietnamese diplomat conveyed the invitation of Vietnamese Party General Secretary Do Muoi to Mr. Yusuf Wali, general secretary of the ruling People's Democratic Party for a visit to Vietnam. Mr. Yusuf Wali accepted this invitation and considered it a priority in his diplomatic activities.

In his talks with president of the Palestinian State Yasir 'Arafat, Mr. Nguyen Dy Nien reconfirmed Vietnam's unswerving stance toward the legitimate struggle of the Palestinian people under the leadership of the PLO [Palestinian Liberation Organization] for the establishment of a Palestinian state of independence and sovereignty. He said: The establishment of diplomatic relations between Vietnam and Israel does not influence that principled stance of Vietnam.

While in Tunis, Mr. Nien was received by Tunisian Secretary of State Mr. Habib Ben Yahya. The two sides wished to strengthen bilateral ties, first and foremost trade. During his stay in Libya, Mr. Nguyen Dy Nien confirmed Vietnam's desire to promote friendship and cooperation between the two countries.

Leaders of Egypt, Tunisia, and Libya expressed their support for the renovation process in Vietnam and maintained that Mr. Nguyen Dy Nien's visit was a step in promoting bilateral and multilateral cooperation.

Party Delegation Visits Chile

BK2207064793 Hanoi VNA in English 0603 GMT 22 Jul 93

[Text] Hanoi VNA July 22—A delegation of the Communist Party of Vietnam led by Mr. Do Van Tai, deputy head of the Commission for External Relations of the Party Central Committee, has paid a visit to Chile as guest of the Central Committee of the Chilean Communist Party (CCP).

While there, the Vietnamese delegation met with Mr. Volodia Teitelboim, president of the CCP and other senior officials of the party. During the meeting, host and guest informed each other of the situation of their respective parties and exchanged views on relations between the two countries, and measures to promote the ties between the two parties.

The Vietnamese delegation also met with leaders of the party in power and some other political parties in Chile. They all expressed their wishes for the development of the friendship and trade and cultural exchanges between the two nations. It also paid a courtesy visit to Chile's Ministry of Foreign Affairs, and had exchanges of views on possibilities to promote the relations between the two countries.

Ha Giang Court Sentences Drug Traffickers

BK2207043093 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Jul 93

[Text] The Ha Giang provincial people's court recently held a low-court trial of defendants Le Quang Huy, Vu Dinh Bay, and Vu Dinh Lam on charges of drug trafficking.

The three defendants pleaded against the charges during the court session. The Ha Giang provincial people's organ of control prosecuted Le Quang Huy, Vu Dinh Bay, and Vu Dinh Lam on charges of trafficking in narcotics in accordance with Item 95-A and Article 3 of the penal code based on the testimonies of witnesses, the record of evidence and the record of contraband inspection from the night of 30 April 1992, and the results of the examination of evidence by the Interior Ministry's Institute of Criminal Science on 13 June 1993.

The adjudication council handed down a death sentence to Le Quang Huy, life imprisonment to Vu Dinh Bay, and a 20-year jail term to Vu Dinh Lam.

A fine of 50 million dong was also imposed on each of the three defendants and the 22.3 kgs of opium seized were put to the torch.

Customs Successes Reported

BK2307054393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Jul 93

[Text] Ever since the Thanh Thuy border gate in Ha Giang Province opened, the volume of goods circulating across this border gate has increased enormously. In the past three months, the total value of export goods crossing the border gate was 3 billion dong, and the value of import goods was 4.5 billion. This included mainly consumer goods and farm products.

To ensure the circulation of goods across the border and to guard against shortfalls in tax collection as well as smuggling activities—apart from its key posts at various border gates—the Ha Giang Provincial Customs Department has organized a 10-man mobile police team to join the public security force in satisfactorily performing border defense work.

In the first six months of this year, the Ha Giang Provincial Customs Department discovered and dealt with 104 cases involving tax evasion and smuggling, imposed millions dong in fines for petty offenses, and burned 937 kilograms of unclaimed opium seized in six separate cases.

Australia**Keating 'Fairly Confident' APEC Meeting To Go Ahead***BK2207055493 Melbourne Radio Australia in English
0500 GMT 22 Jul 93*

[Text] Australia's Prime Minister Paul Keating says he remains fairly confident of a proposed Asia-Pacific leaders' meeting will go ahead later this year. American President Bill Clinton has invited leaders from the 15-member Asia-Pacific economic forum, APEC, to an informal meeting in the American city of Seattle in November. While a number of APEC members, including Australia, Singapore, and the Philippines, have indicated they will be present at the meeting, Malaysia's Prime Minister Dr. Mahathir has refused to attend. China, Indonesia, and Thailand are still publicly undecided on whether they will go to the Seattle meeting.

In a speech in Canberra, Mr. Keating again emphasized the importance of such an event. Mr. Keating said the APEC leaders' meeting would be an historic opportunity to promote the economic integration of the Asia-Pacific region in a way that serves the interests of all members.

Says PRC, ROK Agree With APEC Objectives*BK2207081093 Hong Kong AFP in English 0749 GMT
22 Jul 93*

[Text] Canberra, July 22 (AFP)—Leaders of China and South Korea share Australia's view that the economies of North America and the Asia-Pacific region should be locked in one "great and dynamic market", Australian Prime Minister Paul Keating said Thursday.

Keating said he is now "fairly confident" the planned summit of Asia-Pacific Economic Co-operation (APEC) leaders would go ahead, establishing a process of periodic leaders' meetings which would greatly increase the group's authority in the world. He told the National Press Club here the summit, proposed by U.S. President Bill Clinton for Seattle in November, opened a historic opportunity to promote the economic integration of the region in a way that serves the interests of all members.

Keating, who visited Beijing and Seoul last month, said there was concrete evidence that the expansion and diversification of Australia's trade was gathering pace in both countries.

"The Chinese leaders made it clear that they were interested in a long-term strategic relationship with Australia in the development of the Chinese steel and woolen textile industries," he said. "I came away from Korea and China more convinced than ever of the enormous potential the East Asian economies provide for Australian business—and therefore the potential for Australia's future integration with the region. The Korean and Chinese leaders very much agree with our view about the importance of ensuring the economies of

North America and the Western Pacific be locked together in one great and dynamic market."

He said the announcement by U.S. President Bill Clinton of plans to host the APEC summit in Seattle later this year was good news for Australia and the other APEC countries.

"It is important that the process of Asia-Pacific economic co-operation provides genuine benefits not only to the advanced economies of the United States and Japan, but also to the rapidly developing economies of South East Asia."

Keating has proposed using the 15-member APEC as the basis of an integrated market for the Asia-Pacific region to develop common principles in investment, harmonisation of standards in manufacturing, market access, disputes settlement and other areas. The APEC countries are Australia, Canada, China, Hong Kong, Japan, New Zealand, South Korea, Taiwan and the United States, plus Association of South East Asian (ASEAN) members Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Malaysia has said it will not attend the summit.

Confirms Timetable for Tax Cuts*BK2207075293 Melbourne Radio Australia in English
0500 GMT 22 Jul 93*

[Text] Prime Minister Paul Keating has confirmed that the timetable for delivering his promised income tax cuts will change. However, Mr. Keating has pledged they will be delivered in full.

Addressing the National Press Club in Canberra, the prime minister said government was looking to pay the July 1994 component of the cuts earlier than that, while putting the January '96 component off until later. Mr. Keating said the main reason is the Australian economy's poorer-than-expected performance and the impact of continuing low inflation on the value of the cuts.

[Hong Kong AFP in English at 0646 GMT on 22 July, in a similar story adds: "Prime Minister Paul Keating announced Thursday a substantial modification of a controversial election pledge, confirming his government would advance the first phase of promised tax cuts while delaying the second. He told the National Press Club here the Australian economy, beset by global problems and stubbornly slow to recover from recession, needed the stimulus this financial year which tax cuts would provide.

["The cuts, worth 8.6 billion dollars (5.8 billion U.S.) in total and already enshrined in legislation, were promised in February 1992 and originally scheduled to come into effect in July 1994 and January 1996. They became the central plank of Keating's re-election strategy for the March 13 poll, but were universally criticised by economists at the time and since as being unaffordable and economically irresponsible.

["Keating's statement Thursday followed a speech by Treasurer John Dawkins Wednesday saying Canberra was 'carefully considering' delivery of the tax cuts—remarks widely interpreted as preparing an escape route. However, because no date was set for delivery of the second and larger phase of the cuts, Keating was still likely to face strong criticism for what would be seen as a much modified, if not broken, electoral promise.

["On the basis of Dawkins' comments, he and Keating were already being slammed by the media here Thursday.

["'They must be judged as incompetent or dishonest,' said THE AUSTRALIAN in an editorial critical of their intention to modify tax cuts the paper said should never have been offered. 'The first stage is estimated to cost 3.4 billion dollars and involves cutting the marginal rate of tax from 38 percent to 34 percent for incomes under 36,000 and from 46 to 43 percent for incomes between 36,000 and 50,000 dollars.

["'We are now in the process of considering the extent to which the first leg can be brought forward to boost the economy, and the second put back to secure the savings task in the interim,' Keating told his audience. He said that because of the effects of Australia's low inflation rate, the promised tax cuts were more generous than originally intended.

["'Delaying the introduction of the second leg will bring the tax cuts back into line with what was intended and announced in February 1992—while still seeing the tax cuts paid,' he said. 'In this way the incidence of income tax will not rise, savings will be boosted, and the economy will receive a fillip at a time when it's still needed.'

["Keating promised that 'these tax cuts will be delivered in full this financial year. They will be L-A-W.'

["'Sluggish growth in the OECD (Organisation for Economic Cooperation and Development) area has inevitably made it difficult for us in Australia,' Keating added.

["He repeated the government's aims of a 1993/94 budget deficit of around 16 billion dollars and a deficit of one per cent of GDP by 1996/97.

["'In the medium term, big budget deficits are not consistent with a strong economy. We have to have more business investment and we have to free up our private savings to pay for it.'"]

New Zealand

Plan for 4 Maori Parliamentary Seats Dropped

BK2307020693 Hong Kong AFP in English 0107 GMT
23 Jul 93

[By Michael Field]

[Text] Wellington, July 23 (AFP)—In the face of powerful opposition the government has abandoned a proposal to scrap New Zealand's four native Maori parliamentary seats and is now proposing more racially based electorates.

The new proposal was made in parliament late Thursday when a select committee reported on a bill setting up a referendum this year when people will decide between the current first-past-the-post electoral (FPP) system or changing to German style mixed member proportional representation (MMP) voting.

The referendum follows one last year in which voters decided between FPP and four proportional representation options. MMP was overwhelmingly supported by voters then and so now faces a runoff late this year.

For Maori, who make up around 12 percent of the population, MMP threatened the four specific Maori seats in the 97 seat parliament.

But instead of dropping the Maori seats, the bill has a formula for increasing the number of seats.

The change is surprising coming from the conservative ruling National Party which has shown no great sympathy toward Maori aspirations. They have had no reason to feel warm toward Maori seats which, since 1936, have always voted solidly for the opposition Labour Party.

The plan to keep the seats was hailed as a victory for race relations in New Zealand by Southern Maori MP Whetu Tirikatene-Sullivan.

"It is a victory and a turning point for race relations," she told parliament.

"It has been a long time since Maoridom was as unified in their claim as on this one."

"Maoridom were cynical on introduction of this bill, traumatised and it was then the sleeping giant of Maoridom arose, stirred by their sentinels who were authorised to lead the Maori battle against abolition," she said.

Maori have had the four seats since 1867 when there were around 47,000 Maori and while the figure is now 322,000 the number of seats has remained the same. The initial idea behind the seats was to give Maori "a voice in the administration of the colony" but it was never intended they be kept. Maori, it was intended, would be fully integrated into the new society.

In part it has happened, and thousands of Maori vote on general rolls and Maori have been elected as MPs in general seats.

Under the new plan if MMP is selected by voters, the four Maori seats will be retained. Next year all New Zealanders will again be given the option of deciding

which roll they want to vote on—Maori or general. If the Maori rolls increase as a result, more Maori seats will be created.

The chairman of the select committee considering the bill, Murray McCully, indicated that no matter which voting system was selected in the referendum, the future number of Maori seats will be determined on population alone, in the same way as general seats are determined.

In last year's referendum specific details of MMP in a New Zealand environment were not available. The bill reported back this week defines it, setting the rules for how it would operate.

Under the bill MMP will provide for 120 MPs while FPP from next year will provide 99.

Colin Clark, chairman of the pro MMP lobby group Electoral Reform Coalition said having more MPs under MMP would bias the referendum against change.

"What this means is that the government has deliberately decided to do its damndest to sabotage the referendum on MMP.

"They know that people are hostile towards politicians because of the way they behave and that many voters might not support MMP if it means more politicians in parliament," Clark said.